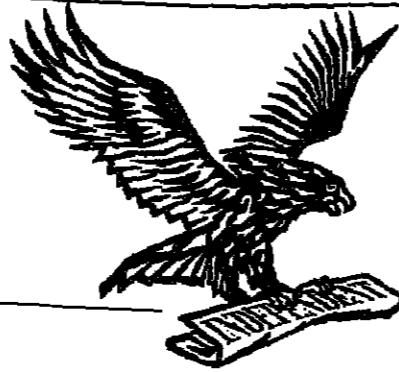


Nanny doesn't know best

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THE INDEPENDENT

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MONDAY 8 JULY 1996

WEATHER Sunny spells and heavy showers

40P (IR 45P)

Fat cats still get their cream

Directors doubling pay despite Greenbury

MICHAEL HARRISON
PETER RODGERS
and DIANA KOSHESL

Directors at some of Britain's biggest companies are in line for bonuses which could double their base salaries despite last year's future over executive pay and attempts to put an end to boardroom excesses through the Greenbury report.

The scale of the awards at companies such as Boots, National Power, Railtrack and United Utilities, is likely to provoke renewed controversy because the sums involved could match or even exceed amounts paid under discredited share-option schemes.

An analysis by the *Independent* of incentive schemes introduced at 10 top companies to comply with Greenbury shows that they could typically pay up to 100 per cent of base salary when long and short-term bonuses are included.

In a number of cases, executives have also been paid bonuses completely unconnected with their performance or that of the companies, or as rewards for successful takeovers. The emergence of the new schemes could cause fresh prob-

lems at some of Britain's biggest companies are in line for bonuses which could double their base salaries despite last year's future over executive pay and attempts to put an end to boardroom excesses through the Greenbury report.

The scheme has been attacked for starting long-term performance payments once the company matches the FTSE100 index, an undemanding target, and for paying out the full bonus if the index is beaten by only 40 per cent.

United Utilities' scheme has yet to be approved by shareholders. Its directors would begin to receive their payouts if the company is merely in the top 50 of the FTSE 100 measured by total return, including dividends.

The chief executive, Brian Staples, who will earn £300,000 base salary this year, could receive up to 40 per cent in short-term bonus and another 87.5 per cent for the long-term scheme payable in 2000, bringing his potential total to £682,500.

Railtrack's chief executive, John Edmonds, could add 140 per cent to his base salary with short-term bonus and long-term share awards by the company, if it achieves the

With his halo intact and glowing...



Suffering in silence: President Mandela has 'lost his family', been divorced and been imprisoned, but he is still a symbol of hope and forgiveness

Photograph: Glyn Griffiths

...Saint Nelson is coming to town

MARY BRAID

Johannesburg

Nelson Mandela is a saint; or at least, the closest a man can come to being a saint while still being a head of government.

When FW de Klerk finally ordered the release of Mandela after 27 years in jail, the world knew that he was freeing a legend. Amazingly, six fraught years later, Mandela's halo is largely in place, which accounts for the sense of excitement that much of Britain feels about his arrival here today for a week of state pomp, topped off with a visit to Britain.

He is, in some respects, an unlikely leader. The President is no fiery orator and a painfully ponderous interviewee. In the era of the spin doctor and the news bite, Mandela with his old-world charm – preserved in part by his incarceration – seems a relic from another age. But at home and abroad there is agreement that Nelson Mandela, 78 this month, is one of the greatest statesmen of the 20th century.

Even amongst South African whites who once regarded him as more black devil than saint, his standing is incredibly high. Shaking his head, a white South African driver sums up his view of the ANC in government: "Crime up, rand down." Johannesburg's city centre has "turned black" and is infested

with muggers. The country's finances are in the hands of a minister who cannot do sums. But mention Nelson and the man turns colour blind and melts. "President Mandela is marvellous," he says. "All those years in prison – for no good reason – and yet he shows not bitterness."

Mandela's popularity owes much to South Africa's extraordinary negotiated revolution, the ANC's long hard struggle against the most formidable

opposition, his role as racial conciliator. Mandela is a living symbol of collective suffering and the possibility of forgiveness and moving on.

Of course, it helps if your political rise involved none of the usual back-stabbing and corruption. Mandela never lobbied or conspired for leadership. He simply descended from prison, an international symbol of black suffering, as leader in waiting.

He seems always to have had a sense of destiny. . . . He was raised in the royal house of the Thembu tribe. The tribal aristocrat turned freedom fighter is a rare concoction

white minority rule in sub-Saharan Africa and the heartwarming justness of the cause.

But it is Mandela's own qualities which seem to allow him to float untainted above the mire of modern politics. The public perception is of warmth, goodness and integrity, more spiritual leader than grubby pragmatic politician.

Self-sacrifice sets him apart at a time when politicians are seen as vain, greedy and primarily self-interested. South African novelist Nadine Gordimer points to Mandela's remarkable memory for people and family and details as evidence of an unusual level of "other-directedness." As one Jo-

hannesburg newspaper editorial observed, President Mandela is the first statesman since George Washington whom people believe is incapable of telling a lie.

And yet he seems always to have had a sense of destiny.

When he walked to the prison quarry for another day's back-breaking labour he would apparently practice walking like a president. His dignity even intimidated his jailers. Mandela was raised in the royal house of the Thembu tribe in the Transkei. The tribal aristocrat

turned freedom fighter is a rare concoction. Walter Sisulu, lifelong friend, comrade and cell mate on Robben Island, says of Mandela: "Even at 24 I marked him out as a teacher."

Mandela proved a skilled and fierce negotiator during the dangerous path to transition.

But two years after South Africa's first democratic elections, his role is essentially that of racial conciliator. Mandela is a living symbol of collective suffering and the possibility of

Africa. But he is not surprised by his enduring appeal.

"The world is ruled by political dweebs," argued Mr Sparks.

"I don't think there is a leader in the world today who can command respect like Mr Mandela. They are largely grey like John Major or a bit tacky like Clinton. Mandela believes in something. What do the rest of us believe in?"

A FINAL BURST OF ENERGY

DRY'S TO GO
00:00

Streak of bad luck sinks Wimbledon finalist

RICHARD EDMONDSON

They have struck at cricket, they have struck at rugby and the very courageous have appeared at football, but at the Elysian fields of the Wimbledon championships a streaker was an unknown phenomenon until yesterday.

There have also been complaints from non-executive directors that discussion of excessively complex executive bonus schemes has been dominating board meetings at the expense of other business.

One of the problems in assessing the full impact of some schemes, such as BP's, is that they link performance to confidential and commercially sensitive targets which are agreed year by year.

Many privatised utilities and Railtrack, the rail infrastructure company, have announced long-term schemes to replace share options. Some will make payment in kind in the form of the company's shares rather than cash.

Keith Henry, chief executive of National Power, was paid £325,000 base salary last

bottom half matched. "I saw these, you know, just wobbling around," Washington said later. "Then I got flustered and boom, three sets later, I had

short-sighted captain, Bill Beaumont. "There's a woman over there," he said. "And she's got your bum on her chest."

Whether yesterday's was an artistic gesture or a mercenary act was called into question when William Hill reported several bets on a streaker appearing during the finals.

The All England Club had a strong response to the interloper. "We have never had a streaker on Centre Court before, so I suppose it was inevitable eventually," a spokesperson said. "Whilst we do not wish to condone the practice, it did at least provide some light amusement for our loyal and patient supporters, who have had a trying time during the recent bad weather."

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A FINAL BURST OF ENERGY

news

Labour pains: MPs cynical about moves that would safeguard future of Harriet Harman

Pressure grows to hold shadow cabinet election

ANTHONY BEVINS
Political Editor

Tony Blair faces intense pressure this week to go ahead for shadow cabinet elections that could throw health spokeswoman Harriet Harman to the wolves of the Labour backbenches.

Many MPs, on the right and left of the party, were incensed by Ms Harman's decision earlier this year to send her son to a selective grammar school, and they now want retribution.

Rightly, they see moves to drop this year's shadow cabinet elections as an attempt to save Ms Harman from a humiliating

defeat in the Parliamentary Labour Party's shadow cabinet ballot which is traditionally staged at the beginning of each Commons year, in October or November.

The timetable for that ballot is due to be fixed this week and will be announced at the weekly meeting of the parliamentary backbench MPs this week.

Anticipating a leadership-inspired ambush, and an amendment that could have stopped this year's shadow cabinet ballot on the grounds that it would create a diversion in the run-up to the general election, more than a hundred MPs have warned that they

will oppose such a ploy.

The feeling of backbench frustration has been increased by Mr Blair's decision to go for a referendum on Scottish devolution, and by the denial of leadership support for a full 26 per cent pay increase for backbench MPs this week.

But it is entirely possible that even if Ms Harman were ousted in a shadow cabinet ballot this autumn, Mr Blair could reinstate her as a member of his team - as John Smith did when she was rejected by the parliamentary party when he was leader.

Andrew Mackinlay, MP for Thurrock, and a leading organiser of the backbench revolt, insisted yesterday that the move was not aimed at Ms Harman.

He said the MPs were "jealous" to guard their last remaining power to hold the party leadership to account.

Altogether, 110 MPs had given assurances that they would attend next week's parliamentary party meeting to make sure the timetable went through unamended. "There were strong reasons for believing there were some important people in the party who were trying to prevent the elections from proceeding," Mr Mackinlay said.

Tony Banks, left-wing MP for Newham north-west, told BBC1's *Breakfast with Frost*: "It is probably the only occasion when we can exercise some democratic rights ourselves. At least it gives us a bit of power and a bit of say as to who is going to be in the team."

Shadow chancellor Gordon Brown told the Sky News Sunday programme that there was no proposal to abandon the elections at the moment. But he said that could change if there was an early General Election.

If there was to be an election in October or November it would be something of a distraction, but there again I suppose that the shadow cabinet elections would not take place," said Mr Brown.

However, John Reid, the party defence spokesman - who first raised the prospect of dropping the elections at a parliamentary party meeting in January - said they now should be scrapped for this year.

"Our sole aim should be the defeat of the Conservatives, not the defeat of shadow cabinet members," he said.

But he proceeds to dissect and dismiss their contribution to Mr Blair's thought and rhetoric. Terms like community, globalisation, insecurity, short-termism, stakeholders, centralisation, constitutional reform, Americanisation, and social inclusion are buzz words of Labour's political economy. "If you deleted those expressions from a Blair speech, little would be left."

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"1995 was a bad year for Conservatives fighting the battle if ideas," he says. "A series of

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Fraud gangs drain council millions

CHRIS BLACKHURST
Westminster Correspondent

Millions of pounds of taxpayers' money has been stolen from local authorities in massive and systematic housing benefit frauds controlled by organised crime gangsters.

Senior Metropolitan Police detectives and council leaders believe that the fraud is being conducted on a London-wide basis by gangs milking the benefits system on a number of fronts.

The *Independent* has learnt that in just one borough alone - Lambeth in south London - up to £30m of taxpayers' money may have been stolen, out of a total budget of £125m.

Police have been working with closely Lambeth to get behind the false names and addresses that litter the housing benefit register. Frequently, they have been able to trace the journey of a single cheque from council coffers to bank accounts filled with the proceeds of thousands of similar cheques.

Shortly before police raided the offices of one landlord - Lambeth in south London - up to £30m of taxpayers' money may have been stolen, out of a total budget of £125m.

In the past, housing benefit fraud was thought to be confined to individuals making false claims at a petty level. However, for the first time, a senior local government figure has conceded the involvement of organised crime.

In an interview with the *Independent*, Heather Rabbatts.

Lambeth's chief executive, said she shared the view of the Metropolitan Police that the groups were controlled by "a few very people" and were operating across the capital. The same people, she said, were thought to be responsible for a range of crimes, involving other types of benefit claims. A fortnight ago, Ms Rabbatts told the Commons Social Security Select Committee, that the problem was much worse than previously supposed.

She agreed with Frank Field, the committee chairman, who concluded: "Gangs saw this as an easy area to take public money, and they [had] moved in and set themselves up as landlords and these groups are involved in other frauds as well."

Ms Rabbatts stressed that greater co-operation between police and councils was urgently needed to combat such systematic abuse.

Apprehending small-time false claimants, she said, was no longer such a difficulty. Neither, too, was there much problem in

finding council staff who were fiddling. The major, untouched area, was organised fraud.

Since Lambeth had begun looking for organised bogus claimants by visiting addresses and checking how many people really lived there, 4,000 private landlords had suddenly disappeared from the housing benefit register.

Ms Rabbatts said that, almost certainly, the 4,000 were mainly false claimants, she said, was no longer such a difficulty. Neither, too, was there much problem in

officers had found 50 people supposedly living and claiming housing benefit. Threats have been made to Lambeth officials, and Ms Rabbatts is expecting more as her war continues.

Mr Field asked her if the work was going to become "more dangerous?" She replied that while people "are getting the message" and her force becomes more effective, they "will decide to move elsewhere - or we might be subject to more intensive pressure."

At present, said Mrs Rab-

batts, police and council officers operated at a local or regional level. But the scale of the problem required some form of co-ordinated national initiative.

Ms Rabbatts said she was recruiting more staff in Lambeth to combat fraud. Speaking to the *Independent*, she said that in the past year, since taking over as chief executive and following the damning report by Elizabeth Appleby QC into the council, she had sacked 60 staff for fraud.

Interview, page 14

Verse or worse: Sex and drugs and rock 'n' roll invade the sober world of modern literature

We could be poets – just for one day

LOUISE JURY

The gaggles of excited schoolgirls were an early indication that this was not an ordinary poetry festival.

Roger McGough, Adrian Mitchell and James Fenton, Oxford University's poetry professor, may have their following, but their fans rarely swoon.

Pop fans, of course, do. So when Michael Horovitz, the poet, persuaded Damon Albarn, the singer-lyricist of the

words but I'm not really interested in being that ordered."

Yet he was delighted to have been asked to take part. "I wouldn't be here if I wasn't ecstatic about doing it," he said. Horovitz turned up in person on his doorstep to ask him. He proved so charming that Albarn's girlfriend, Justine Frischmann, the singer-guitarist with Elastica, agreed to take part too as a compère.

"I think it's a great concept," she said yesterday. "It's nice to be involved in something that isn't just music."

The other writers were taking their glamorous pop rivals in their stride. Roger McGough, a Liverpudlian "Mersey beat" poet, said there was room for everybody. "If it brings young people in who wouldn't come if they thought it was severe poetry, that's great."

Not that poetry needed pop to draw the crowds, he added. "Poetry always has been popular. I've been doing big readings and making money out of it for years. It's just there's more attention being paid to it now."

Carol Ann Duffy said she was always amazed to discover that some people were very distant from poetry. "I'm very much in favour of something like this. Something that uses a bit of showbiz and a bit of humour is necessary still."

Sharon Swaneepool and Cathy Elam, both 21, from South Africa, would probably have come regardless, but Nick Cave was definitely the draw. "I think we'd have been here, but in cheaper seats," Ms Elam said.

Even traditionalist poetry lovers did not seem to mind the pop incomers. Margaret Wellman, who described herself as an "extremely mature student" said: "I think it's a brilliant idea."

Thirty-one years ago, Michael Horovitz was one of 17 poets from nine countries who filled the Albert Hall to overflowing with an event grandiosely called "The First International Poetry Incarnation". In those days, he said, poetry was a "tight game reserve of people with PhDs. He hoped he had done something since to break down the barriers. "I just wanted to show the diversity of talent," he said.

Poetry has always overlapped with music and dance and drama," he said. "It's only silly narrow-mindedness when people want to categorise anything, pushing people into pigeon holes. The thing about a good poem is it is strong communication which is just what a good song is."

Stung by recent newspaper literary criticism of some of his unfinished lyrics, Damon Albarn was making no claims of literary merit for his own works. "I write words that rhyme occasionally. I don't write poetry," he said. "I think poetry is more ordered. I like the energy of



Photograph: Philip Meech

Beat generations: Ray Davies (above) and Damon Albarn during a soundcheck at the Royal Albert Hall yesterday



Burning Roses - Patti Smith

Father I am burning roses
father only God shall know
what the secret heart discloses
the ancient dances with the doe:

Father I have sorely wounded
father I should wound no more
I have waited among the thorn
where roses burn upon the floor

Daughter may you turn in laughter
a candle dreams a candle draws
the heart that burns:
shall burn thereafter

may you turn as roses fall

Black Hair - Nick Cave
Last night my kisses were barked in black hair
And in my bed, my lover, her hair was midnight black
And her mystery dwelled within her black hair
And her black hair framed a happy heart-shaped face

And heavy-hooded eyes inside her black hair
Shined at me from the depths of her hair of deepest black
While my fingers pushed and curled into her straight black hair
Putting her black hair back from her happy heart-shaped face

To kiss her milk-white throat; a dark curtain of black hair
Smothered me, my lover with her beautiful black hair
The smell of it is heavy. It is charged with life
On my fingers the smell of her deep black hair

Full of all my whispered words, her black hair
And wet with tears and goodbyes, her hair of deepest black
All my tears cried against her milk-white throat
Hidden behind the curtain of her beautiful black hair

As deep as ink and black, black as the deepest sea
The smell of her black hair upon my pillow
Where her head and all its black hair did rest
Today she took a train to the West, to the West

girls and boys - Damon Albarn

street is like a jungle
so call the police
following the herd
down to greece
on holiday
love in the 90s
is paranoid
on sunny beaches
take your chances looking for
girls who are boys
who like boys to be girls
who do boys like they're girls
who do girls like they're boys
always should be someone
you really love

Excerpt from the Poet anthology published by New Departures, organ of the Poetry Olympics, PO Box 5819, London W1L 2GQ or £5.99/£7.99 including post and packaging

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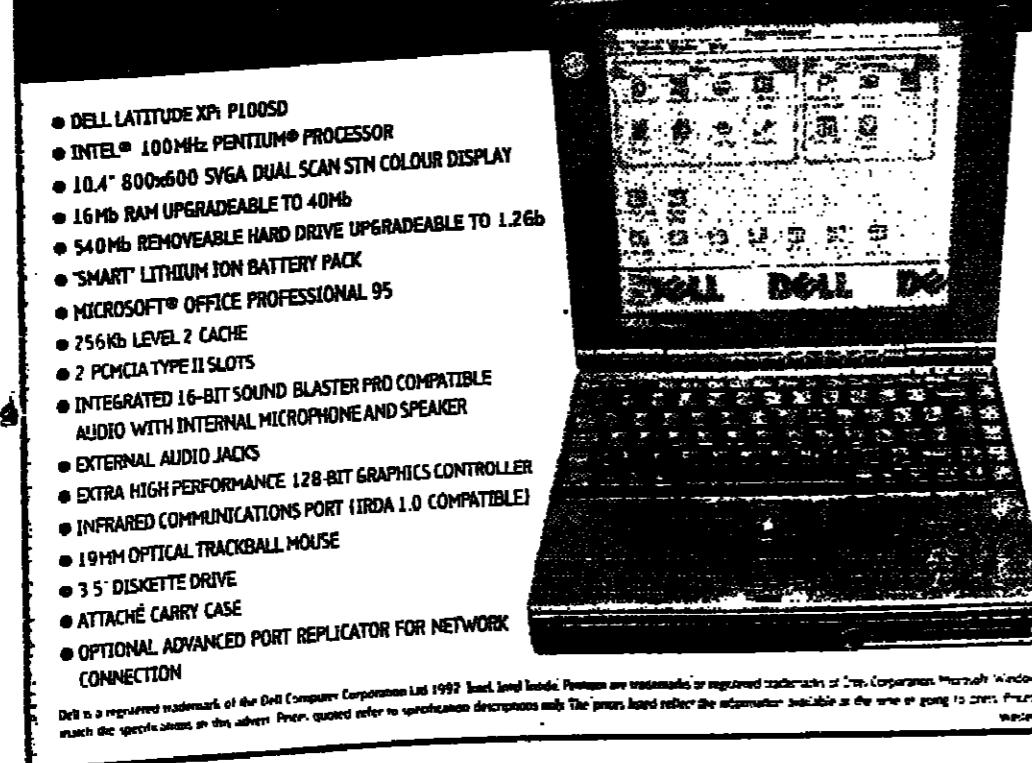
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news

Streetwalkers' profession on its last legs



Trade of disrepute: Prostitutes soliciting in London's East End. A combination of pressure from residents and police crackdowns is forcing women to work from "saunas" and "massage parlours".

Photograph: Adrian Cook

Kerbcrawlers face tougher penalties

Street prostitutes are on the decline as an increasing number of women ply their trade in "saunas" and from rented flats, according to research.

The number of streetwalkers may have dropped by half in the past decade, believes one expert. The shift away from the streets is likely to be hastened by a report today by an all-party group of MPs calling for a crackdown on kerbcrawlers.

The Parliamentary Group on Prostitution and Police want to introduce powers of arrest against kerbcrawlers and new penalties against "cruisers" who drive around red-light districts without stopping. They also urge alternative sanctions against kerbcrawlers including endorsing driving licenses and forcing them to do community service.

As street prostitutes come under increasing pressure from residents and vice squads, there has been an increase in

"saunas" and massage parlours to which police tend to turn a blind eye and in the numbers of calling cards in telephone boxes used to advertise the services of women in private flats.

For a forthcoming book, *Prostitution and Public Policy*, by Catherine Benson and Roger Matthews, of Middlesex University, about 100 prostitutes

and 50 clients were interviewed in cities including Nottingham, Leicester and Norwich. Researchers found a slump in the number of street workers and little cross over between types of prostitutes; women who worked the street found it very difficult to move into saunas.

Dr Matthews said: "In the last few years the number of women on the street have probably halved. It's being seen as increasingly dangerous work."

These trends confirmed an earlier study of police vice squads, also by Dr Matthews and Ms Benson, in which officers often stated that their main priorities were to "clean up the streets - not to police sex".

Nationally, the number of prostitutes prosecuted has fallen from 9,196 in 1988 to 7,912 in 1993 while kerbcrawlers prosecuted had risen from 622 in 1988 to 857 in 1993.

Police officers are frustrated at what they believe is weak legislation and soft penalties. There is no power of arrest on kerbcrawlers.

Report: Jason Bennett

Fantasy girl: Actress Cathy Tyson in the film *Mona Lisa*

Poverty and humiliation following the footsteps of Jack the Ripper

It was a warm Thursday night and the coach party of middle-aged women, dressed in blazers and cardigans, chatted excitedly as their guide took them on the ever-popular Jack the Ripper tour.

The group had just finished visiting the Whitechapel area of east London to see where, in 1888, five Victorian prostitutes had their throats slit and bodies savagely mutilated.

Less than three minutes' walk away from the tour party, down a dark side street, Rosie, 32, a mother of four, was offering full sex for £15. Extras were £5 each.

She planned to make £55 that night. "I need to buy two pairs of shoes for my girls and some extra to go towards the court fines," she explained. On average she makes £500 a week. Her husband is in jail for burglary.

She has been on the street for three years, but would rather work from a sauna or club. "It's dangerous on the street - I got



Women on the streets: A Victorian viewpoint

raped within six months of working down here," she said. "I got into a car with this guy and there was another guy waiting who put a knife to my throat and a gun to my head. I tried struggling, but I thought it's not worth getting killed for. They both raped me, took my money, then blacked my eye and still looking."

A young Bengali man spoke briefly to a woman before they both went into a darkened car park. Another prostitute joked with a youngish white man,

clad in denim. Ten minutes later they emerged from a side street. She yelled at a friend as she started pulling down her short skirt.

Angela, who looked worn and weary for 35, has been working Whitechapel since 1990 and has seen prices stamp. "Some girls will do for £10 or even less - they're so desperate to make enough to pay their pimps."

She said more women were moving into the area, after being forced out of other parts of London, and that up to 20 prostitutes now worked the patch. At night she can make from £50 to £200, but she said a lot more girls worked in clubs now. "It's getting dangerous on the streets; girls get mugged and attacked by punters and crackheads and punts try to muscle in."

At 10pm on Thursday, a constant dribble of punters trawled up and down her road. Some were in cars that drove slowly past, others were on foot. There were middle-aged businessmen, swaying slightly in their suits, stopping to talk before moving on. "Have you decided yet, shouted one woman. "No, I'm still looking."

A young Bengali man spoke briefly to a woman before they both went into a darkened car park. Another prostitute joked with a youngish white man,

"I quite enjoy dressing up in ladies' underwear which I would not ask a partner to do," said another.

Prostitutes also offered the men the opportunity to have sex with specific types of women. "She's got to look a bit bitchy," said one man, "a bit of a tart."

For some the appeal was the opportunity to have sex with a number of women, and many were attracted by the uninvolved nature of the contact. "If I go to a club or something I have to work for it but with a prostitute it's pure sex, no-one's kidding the other."

When asked what would happen if their partner found out about their activities, most of the men, whose average age was 36 with the youngest being 21 and the oldest 63, said it would be disastrous. "It would probably end our marriage," said one.

Researchers obtained interviews from nine men by approaching them on the street, 68 who were contacted via health clinics, and a further 66 who responded to advertisements in a local newspaper.

Most of the men said they had paid for vaginal sex; 89 had paid for masturbation, 87 for oral sex, 11 for anal sex. Seventeen men said they had not used a condom on the last occasion they paid for vaginal sex and 43 said their condom burst.

Of 66 men interviewed, on one night they were found to have had vaginal sex 147 times, oral sex 200 times and carried out masturbation on 58 occasions.

■ Sex Work on the Streets: Neil McGegan and Marina Barnard; Open University Press; £12.99

'With a prostitute it's pure sex'

"It's easier to ask a prostitute to do things because she's there to service you, you know you're paying her for the service. It's like going to have your car done, you tell them what you want done, they don't ask... if they don't do it, you go down the road to someone else."

This is the view of a man who

regularly pays women for sex, who is among a group of prostitutes' clients interviewed in a new study of Glasgow prostitutes and their clients.

Half of the 143 men questioned were married or living with their partner. One man had been paying for sex from the same woman for more than 13

years - longer than he had been married.

One of the key attractions of using prostitutes, the men said, was that they "could ask [them] to do anything". One man said: "My wife is not very interested in anything other than straight sex and with a prostitute the world is your oyster."

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CHERYL THE NIECE

CHERYL THE NIECE

Loyalist fury as police mount roadblock to keep Orangemen out of a Catholic district. David McKittrick reports

Confrontation as marching season begins

Thousands of police and Orangemen found themselves locked in impasse yesterday in the Co Armagh countryside after an Orange march was prevented from parading through a Catholic district.

With tension mounting, the scene at Drumcree, just outside Portadown, looked set for a return of last year's stand-off at the same spot. On that occasion, the

RUC and thousands of Orangemen remained in confrontation for three days before a compromise was reached.

In one brief skirmish during the afternoon, several stones were thrown and a number of punches aimed at police. But otherwise the situation, though uneasy, was largely peaceful.

Unionist politicians, includ-

ing Unionist leader David Trimble and the Rev Ian Paisley, who were at the scene, said they were determined that the march should go ahead along its traditional route through the Catholic Garvaghy Road district.

Local Orange leader Harold Gracie said he would remain at Drumcree "for as long as it takes".

He told the crowd: "Dublin has given orders for this. We will

not be giving in to Dick Spring, John Bruton, Gerry Adams, Martin McGuinness or any other spokesman for Jesuit priests."

There were reports that Orangemen from other parts of Northern Ireland were being summoned to the scene, and that plans had been made for marches and protests in other areas.

During the day, Mr Trimble and Mr Paisley spoke to senior police officers at the scene. Mr Trimble warned that Sir Hugh Annesley, the Chief Constable of the RUC, was "foolish" in gambling with the peace in Northern Ireland. He said a lengthy stand-off at Drumcree could shatter the tranquillity of past months, leading to a breach of the loy-

alist ceasefire or being used by the IRA as an excuse to resume their campaign in Ulster.

During the morning, a thousand Orangemen had marched from Portadown to a service at Drumcree parish church by an uncontentious rural route. On Saturday, however, the RUC had announced that because of the possibility of disorder they would not be allowed to march

back into the town via Garvaghy Road.

The scene was surrounded by a huge security presence with dozens of Land-Rovers parked in the vicinity and British troops in the background.

Police erected a fence of razor-wire, topped with a white warning ribbon across fields to prevent any attempts by protesters to outflank RUC lines.

Unionists march to the music of time

Ceasefires and other huge historical changes may come in and out of fashion in Northern Ireland, but the marching season, it seems, goes on forever.

Both the unionist and nationalist cultures have strong traditions of holding parades and rallies, but the Protestants have shown a particular appetite for taking to the streets.

The marching season is not now just an adjunct to unionism, but a central part of it.

When serious disorder broke out six times in Ulster between 1857 and 1886, the reports of all six commissions of inquiry blamed two main factors - poor policing and Orange parades.

One of the reports said the [July 12] occasion was used "to remind one party of the triumph of their ancestors over those of the other, and to inculcate the feelings of Protestant superiority over their Roman Catholic neighbours". July 12 is the date William of Orange won the Battle of the Boyne.

The strength of feeling the marching season generates on both sides is difficult for outsiders to comprehend.

In 1920, a London newspaper: "The thrill which the genuine Orangeman finds in those demonstrations cannot be communicated to the most impressionable stranger, however devoted he may be to the British Empire. The relief which Ulster still feels at the liberation bought on the Boyne 230 years ago is unfathomable to an outsider; but these things are all very real to Orangemen."

The Sixties saw Catholics taking to the streets for civil rights marches on the model of those led in the US by Martin Luther King.

But within a short space of time, loyalist counter-demonstrations appeared and there were ugly clashes.

It was a unionist march in the city of Londonderry in August 1969 which resulted in the widespread disorder that led to the first deployment of British troops on the streets.

Since then, marches and parades have periodically been the occasion of disturbances.

Northern Ireland hosts around 3,500 marches a year. Around 600 have no political or sectarian overtones. About 300 are organised by nationalists and republicans. The majority of marches are staged by loyalist groupings, principally the Orange Order.

Recent statistics have shown that the number of loyalist parades has risen steeply, going up by almost a third over the past decade. Virtually all of these take place in what is called the marching season, which lasts from Easter to September,



The Grand Master of the Orange Order, the Rev Martin Smyth MP, asking police to lift their Portadown blockade yesterday



March past: Orangemen in 1970 marching to hear the Rev Ian Paisley making a speech in east Belfast

Photograph: UPI

reaching high points in mid-July and mid-August. The vast majority of these pass off peacefully, but each year a small number generate controversy and sometimes violence.

The two principal flashpoints in recent years have become Drumcree at Portadown, Co Armagh, and the Lower Ormeau Rd, south Belfast.

Both of these are Catholic enclaves surrounded by Protestant areas. In both cases, Catholic protests mean that the marchers are accompanied by a strong police presence.

The clash of perspectives between the Protestant marchers and the Catholic residents was

summarised in a recent report by academics Neil Jarman and Dominic Bryan.

"Each parade which is challenged is a symbolic threat to Protestant security and the Unionist position," noted the report, "while each parade passes through a nationalist area is a re-statement of the dominance of the Protestant community and the inferiority of nationalist rights."

In Northern Ireland, July is at the best of times, a month associated with a general rise in nervous tension.

But a "bad" marching season can sour the atmosphere, play on the most sensitive nerve-endings of the two communities and seriously damage the prospects for political progress.

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news

Airline's cigarette that doesn't smoke is ready for take-off

DANNY GOLDUP and CHRISTIAN WOLMAR

A small German airline with a non-smoking policy is giving nicotine-addicted passengers an odourless, smokeless type of cigarette to see them through the flight. If the tests are successful, the manufacturers plan to market them in the

United Kingdom for use on flights.

Augsberg Airlines, which flies on a number of internal German routes, is test-marketing the cigarettes for the Reynolds Tobacco company, manufacturers of the cigarettes which glow when lit.

It does not give off smoke or ash, but the glowing tip of the cigarette consists of a type of coal which heats the air gently. This hot air releases the flavour – but after six to eight minutes, the cigarette loses the taste and must be put out.

The cigarettes contain only 0.2mg of nicotine and 3mg of tar, compared to, say, Benson & Hedges, which have 0.5mg of nicotine and 7mg of tar. The ciga-

rettes come in two flavours, menthol and original.

Reynolds say that the cigarettes have been tested independently by the government in Germany, which has found no problems with them.

The cigarette is also scheduled to be tested in the United States, Sweden, and if they

prove successful will be tried in the UK.

The cigarettes are being described by Augsberg Airlines as a "smokeless, odourless cigarette" and are handed out to customers for free. The company says its air hostesses have to be "briefed on how to light the cigarette before take-off" because they contain

"glowing ash like coal which give off hot air".

An airline spokeswoman told the *Independent* that it handed out questionnaires to the passengers and "the cigarettes have had a positive response with non-smokers, who have not been affected by them in any way". She said that a passenger sitting next to a smoker may not

even realise the person was smoking.

However, she said that some smokers had complained that they were "not enamoured with the taste".

She added: "We are not advocating smoking in any way. The airline is not advertising the cigarettes at all, but Reynolds are promoting them."

The anti-smoking group, ASH, was critical of the experiment. A spokeswoman said: "We see these cigarettes as undermining the government's campaign against smoking. The cigarettes may actually contain more carbon monoxide than normal cigarettes, so may prove to be more harmful than others."

University challenge: Attempt to curb brain drain

Oxford doubles professors and joins rat race

JUDITH JUDD
Education Editor

Oxford University announced yesterday that it was appointing 162 new professors without paying them more money or changing their jobs.

The appointments, which almost double the number of Oxford professors, aim to stop the flight of senior dons to chairs in younger and less famous universities. Dons had to nominate themselves for the right to call themselves professor, and a Distinctions Committee of 14 eminent academics passed judgement on their application.

The university has succumbed to pressure to abandon its egalitarian tradition as a "community of scholars" and joined the rat race, in which academics say they need titles to compete for research funds.

Of the university's 1,262 dons, 361 are now professors. The committee also awarded the title of reader, the next rung down the ladder, to 99 academics, bringing their numbers to 206.

The overall success rate was 79 per cent for men and 85 per cent for women.

Oxford has been forced to respond to the new culture in higher education in which university funding depends partly on its research strengths.

The newest universities, the

former polytechnics, have been offering big salaries and chairs in the battle to improve their research ratings.

Dr Paul Slack, chairman of the university's general board, said: "The purpose of this exercise was to give appropriate recognition to the outstanding quality of the academics in this university, despite financial pressures which prevent us from increasing the number of stipendiary professors."

Applicants were judged on the quality of research compared with that of professors and readers in other major universities and on the quality of their teaching and administration. Flair in teaching could compensate for weaknesses in research.

Dons were split over the plan when it was proposed a year ago. Some feared it might damage undergraduate teaching because dons would concentrate on research in their effort to be promoted.

The university is anxious to demonstrate that it has been fair to women, after female dons three years ago blocked plans to create 15 new professorships, as they would most likely be taken by men.

In the most recent exercise, 15 per cent of the successful applicants were women – exactly in line with the percentage of female applicants.

In 1989, there were four women professors at Oxford compared with the present 30. The latest appointments mean that both the number of women readers and professors will more than double.

Dr Slack said: "Very careful attention was naturally paid to equal opportunity issues and I am delighted to see the distinction of a significant number of women being properly recognised."

This year's exercise will be repeated annually and dons will again be able to nominate themselves.

Four thousand teachers face the sack this year because of Government spending cuts, according to a survey published today. Warnings of dismissal have been sent out to teachers by one in ten schools, says the 150,000-strong Association of Teachers and Lecturers.

The figures challenge ministers' claims that schools received a much more generous settlement this year than last, when 5,000 teachers lost their jobs.

Gillian Shepherd, the Secretary of State for Education, said last November that she was increasing funds for schools by £878m, a 4.5 per cent increase in the schools budget, to fulfil the Prime Minister's pledge that education was at the top of the Government's priorities.

CHARLES ARTHUR
Science Editor

It was hailed as the beginning of the end for the pound in your pocket. But the experiment in "electronic cash" has failed to find many buyers and looks unlikely to spread past Swindon.

A year after its launch, the town of 170,000 is still the only place in the world where you can buy a drink in a pub using a microchip. Despite the enthusiasm of Mondex, a consortium of the National Westminster and Midland banks and British Telecom, it said yesterday that the experiment will not be extended to any other town in Britain. Instead it will be tried in universities and other "closed environments".

A limited Mondex trial is under way in San Francisco, where it is being used by some bank employees, and others are planned for Ontario, Hong Kong and an Australian city. Swindon, though, remains the most ambitious of the trials.

A Mondex spokesman said: "I think people would like to be able to use their Mondex cards outside Swindon. But there's no other place like it."

The trial began with 500 people using "smart cards" which stored money in the form of electronic digits on a microchip.

Rather than carrying cash, cardholders could load up their cards with money from their bank accounts using special readers attached to a phone. They could spend it in shops, or pass it to other people who also had cards. The transactions are anonymous, just like cash.

Each card can hold an unlimited amount of money, though not a negative amount.

However, despite Mondex's early forecasts that 40,000 of the town's 170,000 population might use the cards by today,

in fact only 10,000 have done so.

Neil McEvoy, director of the management consultancy Hyperion, which has been working with Mondex on the project, said: "I think the problem was that for the things where it's really useful, such as for bus fares and car parks – where change is too troublesome and the facilities weren't available until about six months ago."

"By then, people had probably thrown away the stuff explaining how it could get into the trial."

He says there are about 80 Mondex transactions each week, forming about 2 per cent of the total volume.

sort of trade we have. Cash can go missing. In the last three months we've seen it become more popular.

People use it for transactions of anywhere between £5 and £50. If all the banks used it, that would be very good.

"From our point of view it means we don't have to go to the bank to get change. But like most new things, it's hard to envisage how it might be used at first."

He says there are about 80 Mondex transactions each week, forming about 2 per cent of the total volume.

Agnes Dodding, at the Heart in Hand pub, said: "We get a steady stream of regulars using it. If everybody used it, that would be nice, because we wouldn't have to cash up."



Old currency: A Mondex card being used in Swindon. A lack of takers has ended the experiment with 'electronic cash'

Photograph: John Lawrence

Cashless society stops at Swindon



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news

Farm for rent, would suit time traveller

NICHOLAS SCHOON
Environment Correspondent

Wanted: one tenant for a farm that time forgot. In the Nottinghamshire village of Laxton, the medieval pattern of crop rotation and communal farming survives. Thanks to various accidents of history, the parish still has three large fields divided into 164 small strips.

In each strip, Laxton's 18 farmers plant winter-sown wheat one year and a spring-sown crop such as barley the next. In the third year, the field used to be left fallow to recover its fertility before the cycle restarted, but these days grass is grown to provide hay. The three crops rotate round the fields.

This is a pattern that was found across England 600 years ago. It required much co-operation between the farmers and the maintenance of precise boundaries without the use of

fences and hedges. All this was regulated by manorial courts, which had substantial powers to punish transgressors.

In Tudor times, the larger and more influential landlords and tenant farmers consolidated the tiny, dispersed holdings into fields surrounded by hedgerows.

In the 18th century, new

farming systems and advances in farm machinery propelled enclosure, keeping lawyers and surveyors busy and converting a large part of the English

peasantry into landless farm

labourers and factory fodder for the Industrial Revolution.

Laxton, which once over-

looked the mighty Sherwood

Forest, also had its open land nibbled away into enclosures

over the years. But while en-

closure of the entire parish

was considered several times,

it never happened because the

two major landowners, Earl

Manvers and the Earl of Scar-

borough, could not agree on

how it should be done.

Finally, soon after the turn

of the century, local leaders and

farmers began to realise that

something unique and precious

had survived; interest in con-

serving Laxton's fields began.

The Ministry of Agriculture

bought the freehold in 1952 and

became lord of the manor. In

1981 the land was passed to the

Government's Crown Estate.

One of the tenants, Ernest

Kent, has died, and the estate

is looking for someone who will

adhere to the old ways.

Tenant Reginald Rose, 70,

has traced his ancestors in Lax-

ton back to 1434 and is Clerk

to the Guild and Commons in the

Court Leet. He admitted

the new tenant might have

trouble making a living with

such a small holding, but hoped

that could be overcome.

"We can see the day coming

when we will all have to diversify," he said.



Throwback to medieval days: Laxton village still adheres to the old principles of communal farming and crop rotation

Photograph by Tom Pison



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Range of charities 'should be widened'

Human rights organisations such as Amnesty International should be given the same charitable status as animal groups like the RSPCA, according to a report published today.

The report, by an independent commission on the Future of the Voluntary Sector, said a new legal definition of charity based on 21st century ideas of public benefit was urgently needed. "The present situation does not make sense to the public and those organisations failing to qualify for legal definition as a charity miss out on advantages such as tax benefits."

"And where applications for charitable status are turned down, small grassroots organisations lack the time, resources and know-how to challenge decisions in the courts."

The call came amid concern that too many voluntary groups were excluded from charitable status under current law, including human rights organisations.

The study stresses the importance of protecting the independence of charities and other voluntary and community organisations. Radical changes have meant that national and local government have increasingly turned to voluntary organisations to provide services. Further changes in the system of providing welfare, the structure of the family, and continuing high unemployment are also set to have a big impact on the sector.

Professor Nicholas Deakin, commission chairman, said: "It would be fatal for the voluntary sector to be seen as an arm of government, and it certainly must never be seen to be used to carry out functions which are properly the role of the state."

The report, the first of its kind for 10 years, also calls for a Voluntary Sector Commissioner at the Law Commission to keep charity and voluntary sector law under review. An expert Charity Appeal Tribunal should also be set up to review Charity Commission decisions.

The report notes how there are 240,000 voluntary bodies in England, including 116,000 registered charities. The sector has an income of £15 billion and 620,000 employees.

The Commission calls for voluntary groups to be managed efficiently, without deflecting from their purposes and aims. The report warns groups must be more accountable and claims some make no effort to involve service users. Organisations must be ready to "practise what they preach". Too many trustee boards or committees are dominated by "middle-aged white professionals".

Among its other recommendations, the 13-member commission calls for changes in the way National Lottery cash grants are made. These would include safeguards preventing grants being a "substitute for Government handouts, and extend support to self-help groups."

Polly Toynbee, page 15

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D-day for nuclear arms powers

The World Court will this morning announce its verdict on the most politically explosive question ever put to any court. Is it legal to use, or threaten for use, nuclear weapons? Whichever way it decides – and the decision is balanced on a knife edge – will have profound consequences for global security and for the United Nations.

If, in its 150-page opinion, the International Court of Justice in the Hague declines to make a ruling or rules it is permissible to use or threaten to use nuclear weapons, or if it produces a "judgement", it will damage the court's legitimacy. Its judges will be accused of knowing to the five nuclear powers which are all permanent members of the UN Security Council. A ruling that nuclear weapons are legal would also open the way for other states to possess and test them, undermining the nuclear non-proliferation treaty and attempts to conclude a Comprehensive Test Ban Treaty.

If the court rules the use or threat of use of nuclear weapons to be illegal, the policy of deterrence upon which US

The World Court is due to make a landmark judgment that could outlaw deterrence. Christopher Bellamy reports

British and French security and, to a lesser extent, that of Russia and China have rested for decades will be in violation of international law. Nuclear deterrence is the policy of Britain's present Conservative government and, Tony Blair said two weeks ago, of a future Labour government.

Such a ruling would also challenge the legal status of the five permanent members of the Security Council, whose membership is rooted in their possession of nuclear weapons. It would strengthen demands that other criteria should determine permanent membership – such as economic strength or contributions to UN peace-keeping operations.

There would be other implications, thrown into sharper focus by the forthcoming 50th anniversary of the Nuremberg trial verdicts. If the use of nuclear weapons is declared illegal, the captain of a Trident submarine ordered to fire a

nuclear missile will know that if he does so he can be indicted for a war crime.

The use of chemical weapons is now illegal, even in self-defence, and so are biological

weapons. The move to declare them illegal has centred on other characteristics: the destruction caused by radiation and electromagnetic pulse, and their long-term damage on health and the environment.

The Nato nuclear states and Russia tried to dissuade the court from ruling on the question, pointing out that it was, in France's words, "an essential problem... one which is at the core of the national defence systems of a large number of states". France is probably the most strident opponent of the action. Britain also wants the court to decide a ruling.

Most members of the UN believe nuclear weapons should be banned. Some 45 states gave evidence; two thirds arguing for illegality. Four of the five nuclear weapons states gave evidence: China declined.

The move to declare nuclear weapons illegal has been problematic, partly because they are crucial to the defence policy of certain states, and partly because they share certain characteristics – destruction by heat and blast – with conventional

weapons. The official British view, cited by the former Foreign Office legal adviser, Sir Vincent Evans, is that the use of nuclear weapons may or may not be legal depending on the circumstances. However, Sir Vincent has said, the more you examine the circumstances, the more you are driven back to a general principle.

Dame Rosalyn Higgins, the new British judge, said recently: "To my knowledge governments do not at all try to influence the judges in cases before the court in which their national interests are deemed to be at stake. Indeed, it is when a case from one's own country is before the court that the judges are most sensitive to demonstrate their independence."

It is possible the court will fudge the issue by, for example, ruling only that the international laws of armed conflict apply to nuclear weapons. That would satisfy the British, who believe that the legality depends on the circumstances. But such a ruling would do nothing for the image of the World Court.



Under a cloud: Security Council members oppose a ban

SIGNIFICANT SHORTS

Jacques Chirac urged Israel to disclose whether it intends to pursue the Middle East peace process saying that uncertainty over the prospects for peace encouraged political violence. "If Israel decides to pursue the peace process, I hope it will say so as quickly as possible... It is obvious that uncertainty will lead to a resumption of terrorism," the French President told reporters yesterday during an official visit to Saudi Arabia. *Agencies*

Cuadorean voters were choosing yesterday between two bitter enemies for president. Rightist Jaime Nebot of the Social Christian party, and populist Abdala Bucaram of the Roldosista party received the most votes in a first round of balloting on May 19, with 27 percent for Nebot and 26 percent for Bucaram. *Otello, AP*

Polish leaders voiced their nation's shame and grief yesterday in the southern town of Kielce where, half a century ago, a mob killed 42 Jews who had escaped death in the Holocaust. Prime Minister Wladyslaw Cimoszewicz underlined the horror of the 1946 massacre, which followed the Nazi slaughter of most of Poland's 3.5 million Jews during the Second World War. *Kiefer, Reuter*

Tropical Storm Bertha swirled towards the Caribbean yesterday, and hurricane warnings were in effect for the Leeward islands, stretching from Dominica north to Anguilla and Saint Martin. A hurricane watch was issued for Puerto Rico, the US and British Virgin Islands, and Guadeloupe. *Miami, Reuter*

Pope John Paul appealed for Christian unity with a celebration of Mass in the Byzantine rite at St Peter's yesterday. He was marking the fourth centenary of the 1596 Union of Brest, the Ukrainian Catholic Church's restoration of ties with Rome. The Polish Pontiff, 76, joined the frail 81-year-old leader of the Ukrainian Church, Cardinal Myroslav Ivan Lubachivsky, in the elaborate three-hour ceremony. *Vatican City, Reuter*

The space shuttle Columbia broke the record for the longest shuttle flight yesterday when it touched down after a 17-day mission. Columbia broke the record of 16 days, 15 hours set by her sister ship, Endeavour, on a 1995 astronomy mission. By the time the shuttle touched down it had secured the record by almost seven hours. During the flight, Columbia was the scene of a \$138m research programme that focused on the effects of space travel on the human body. *Cape Canaveral, Reuter*

Much of South Africa was covered in snow yesterday as a cold front pushing up from the south sent temperatures plunging. A low of -12C was recorded at Lady Grey in Free State province. Snow fell up to four inches deep in places. In Kroonstad in Free State province, two inches of snow fell overnight, the South African Broadcasting Corporation reported. The last such snowfall there was in 1963. *Johannesburg, AP*

Covert surveillance under the Clinton administration has sharply increased, the *Washington Post* reported. The increased use of federal telephone wire-taps and other electronic surveillance had been driven by stepped-up use of electronic eavesdropping against drug traffickers, the newspaper said. The article reported that the number of wire-taps had risen to 672 last year and almost certainly would exceed 700 in 1996. The figures did not include "national security" wire-tap orders, obtained under intelligence legislation, which also had been rising dramatically, it said. *Reuter, Washington*

Four alleged graffiti writers from Germany were arrested in the Bronx, putting an end to their plans to paint the town, police said. Vandal squad officers found them in possession of about two dozen cans of paint. A detective who tracks graffiti gangs in the city said international vandalism tours were becoming increasingly popular, with European vandals hitting property in New York and local vandals travelling to Europe. *New York, AP*

Voters in Niger went to the polls to choose between the country's first democratically elected president and the military ruler who ousted him in a coup. The National Electoral Commission had demanded that the elections be postponed, but military ruler General Ibrahim Mainassara insisted that the vote go forward. His leading opponent is Mahamane Ousmane, who was elected in Niger's first democratic vote three years ago. *Nume, AP*

A German with an artificial heart has set a world record for longevity by surviving two years with the device. The artificial heart given to Reiner Hege, 37, of Magdeburg, has helped clear up his illness to such an extent that he will not need a transplant. The previous record listed in the *Guinness Book of World Records* was set by an American who survived 620 days. *Berlin, Reuter*

A Turkish-Cypriot political columnist was shot dead by gunmen outside his house, Kutlu Adal, a leftist intellectual, wrote for the *Yeni Duzen* daily in the breakaway Turkish republic in the north. The journalist, who sometimes attacked political figures in his columns, had reportedly received death threats. *Nicosia, AP*



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OAU Summit: Deal sought to prevent bloodshed and chaos

Burundi peace force to stave off collapse

DAVID ORR

With the memory of the failed African peace-keeping mission in Liberia fresh in their minds, the continent's leaders must now consider the prospects for bringing peace to another war-torn African nation: Burundi. The tiny central-African state will be top of the agenda at the Organisation of African Unity (OAU) summit which opens in Cameroon today.

Proposals for a regional security force to put an end to fighting between rebels from the Hutu majority and the largely Tutsi army are currently the best, and perhaps the only, hope for Burundi. The country risks being engulfed by full-scale ethnic conflict similar to that which caused the deaths of up to one million people in neighbouring Rwanda two years ago. Already, some one thousand people are killed in Burundi every month.

The plan for deploying a multinational peace-keeping

force in Burundi poses a credibility test for the pan-African body regarded by many as a well-intentioned, but ultimately ineffectual talking shop. And the OAU cannot escape the fact that even with its approval for a regional military force, peace efforts might be forestalled by events taking place in Burundi's capital, Bujumbura.

After prolonged resistance to outside intervention, Burundi's leaders recently reached a decision at a peace summit in Tanzania. The Prime Minister, Antoine Nduwayo, a member of the powerful Tutsi minority, and the President, Sylvestre Nibanunganga, a Hutu, agreed that the time had come to accept "security assistance".

The Prime Minister's acceptance of the Western-backed intervention plan was seen as a breakthrough. Only last month, the prospect of an army coup to block foreign involvement seemed a real possibility.

Despite his endorsement of the peace plan, however, Mr. Nduwayo may not have done

enough to appease hardliners in his own community. In recent days, Mr. Nduwayo has come under mounting pressure to renounce the initiative.

The Prime Minister's own Uprona party has dismissed the plan as amounting to "high treason". University students in Bujumbura have taken to the streets to protest against the proposals which could see foreign troops inside Burundi by the end of this month. And Tutsi extremists, among them former president Jean-Baptiste Bagaza, have called for strikes and civil disobedience to resist such a deployment.

In an ironic twist, Tutsi hardliners now find themselves taking the same line as their Hutu rebel foes who are also against foreign intervention. Colonel Bagaza has warned of "armed resistance" to outsiders. The main Hutu rebel group, the National Council for the Defence of Democracy, says it too will regard peace-keepers as a hostile invasion force.



Confrontation: An ultra-Orthodox Jew in a clash with Israeli police in a religious neighbourhood of Jerusalem; the ultra-Orthodox were demanding the closure of a main street for the Jewish sabbath - Shabbat. Photograph: AFP

Slowing to the pace of a slug in a tropical storm as life speeds by

ROME DAYS

Excuse me if this piece sounds a bit lethargic, but I've been having a bit of trouble getting out of bed recently. Actually, even once I'm up it seems like a titanic struggle to get to the office. And now that I am finally here there are so many distractions - telephones ringing, colleagues inviting me out for coffee, chit-chat about this and that and nothing in particular. Life just seems to speed by without anything ever getting done.

I would put this feeling down to my own incorrigible tendency to laziness, except for one small comforting thought - it seems to be happening to everyone around here. I don't know what it is about Rome, but it has this

habit of causing all who set eyes on it to slow down to the pace of a slug in a tropical rainstorm.

Even the most brilliant of my friends and acquaintances take several hours over coffee, newspapers or computer games to prepare themselves for their remarkably short, if intense, daily bursts of creativity. Government ministries, which provide steady jobs for tens of thousands of Roman families, are notorious for their absenteeism, late arrivals, early departures and extended breaks.

At the Italian newspaper where I work, whole mornings of conferencing give way to lengthy working lunches, followed by afternoons of newspaper-reading and leisurely telephone calls. The panic sets in around six o'clock - at about the same time that British newspapers are getting ready to wrap up their first editions.

Now that July has arrived, police are out prowling the streets to ensure those shop-owners ordered to stay open for the holiday period don't pull

down their shutters and sneak off to the beach. But even the police tire quickly; the traffic wardens employed to keep non-resident drivers out of the city centre during daylight hours often disappear from their posts around lunchtime.

Any excuse not to work seems just fine, whether it is an obscure saint's day or someone's mother's birthday. A few months ago, my local cafe closed for the weekend because the usually effusive owner found the weather too cold. During a heat wave last month, a handful of other shops in the district closed down for the opposite reason.

Whenever I travel - to Paris, or London, or Athens, or even

to Milan - the first thing that amazes me is the sight of thousands and thousands of people marching off to work every morning. It's not something one notices around here. Work may get done, but only with the greatest reluctance.

How to explain it? Visitors down the centuries have observed the pleasures of the Italian *dolce far niente*, that state of dreamy indolence brought on by warm weather, good food, bewitching countryside, charming medieval towns and the unhurried good nature of the Italians themselves.

But the atmosphere in Rome is not quite like that; here, the lethargy is only pleasant up to

a point. Sometimes it feels downright menacing, as though the obstacle to productivity were some kind of weight bearing down on the city and that the only way to get anything done is to get the hell out of here. One can only speculate why this greatest reluctance.

How to explain it? Visitors down the centuries have observed the pleasures of the Italian *dolce far niente*, that state of dreamy indolence brought on by warm weather, good food, bewitching countryside, charming medieval towns and the unhurried good nature of the Italians themselves.

Rome certainly cannot claim to have been well-run in the past 50 years or so, and the result is a city of creeping provincialism where it takes a monumental effort to accomplish the most

mundane of tasks - whether it is braving the crazy traffic, fighting through overcrowded, poorly organised supermarkets, or standing in line at the post office to pay a telephone bill. Any one of these is enough to hang you for the rest of the day.

Yes, it is wonderful to stroll among baroque palaces, sit out in piazzas soaking up the early summer sun and feast on home cooking washed down with cool Frascati. But the city is remarkably unvaried in its pleasures, and if the Romans talk endlessly about fast cars, food and football, it is partly because there is nothing else to talk about.

If modern Rome has a marketable product, it must be

Andrew Gumbel

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international

Balkan powder keg ready to explode

A series of attacks on Serb police targets in Kosovo last week has further increased the possibility of conflict in the predominantly Albanian-inhabited region of former Yugoslavia.

Since the beginning of the break-up of the former Yugoslavia, Kosovo has been seen as the most dangerous Balkan powder keg. Any armed conflict could quickly escalate into international violence involving Albania and Macedonia, with its 40 per cent Albanian population. Bulgaria, Greece and Turkey would then risk being drawn into the conflict, with the resulting destabilisation of the Balkans and the eastern Mediterranean.

The assaults, using automatic weapons and hand-grenades, left two policemen dead and several seriously wounded in the regions of Podujeva and Kosovo-Mitrovica. They are presumed to be the work of Albanian separatists belonging to the Kosovo Liberation Army (Ushtria Çlirimtare e Kosovës, UCK), an underground organisation which, in a letter to the BBC, admitted responsibility for the killings last month of six Serbs, three of them policemen, in the Decani region of southern Kosovo, and a series of grenade attacks on Serb refugee targets in mid-February.

The Podujeva region has now been sealed off by a massive police presence and several Albanians have been taken to police stations where they have reportedly been beaten up. Serbs view the attacks as a desperate attempt by Albanian extremists to focus international attention on Kosovo.

Following the rise to power of Serbian President Slobodan Milošević in 1989, Kosovo's autonomous status was revoked and the region was reintegrated into Serbia and subject to government from Belgrade. Since then, Serbian control has been reinforced by a 40,000-strong army in Kosovo backed up by 30,000 paramilitaries and police.

In response, the Albanians, who comprise 90 per cent of the population, formed the Democratic League of Kosovo (LDK) which set up a "shadow government" led by "President" Ibrahim Rugova. Since then, despite severe human rights abuses, the LDK has advocated a policy of peaceful resistance, calling for restraint from all Kosovo's citizens. Such pleas are, however,

Ethnic tension has reached boiling point in Kosovo, writes **Miranda Vickers**

falling on increasingly deaf ears. The apartheid system that now operates in Kosovo keeps Serbs and Albanians apart, effectively reinforcing fear and suspicion of each community's aspirations and exacerbating the already deep divisions.

Mr Rugova, now a tired and withdrawn man, is fast losing credibility amongst his increasingly frustrated followers. Realising that their passive stance has been ignored by the international community, many Albanians are now demanding more aggressive action to achieve their goal of an independent Kosovo.

In a session last week of the Yugoslav lower house, interior minister Vukas Jokanović said that: "the Albanian separatist movement in Kosovo was striving to maintain a tense atmosphere and even create new tensions. A stabilisation is not in the interest of the separatist movement, particularly given the unequivocal stand of the international community that Kosovo is Serbia's internal affair." But patience on all sides is wearing thin. At a news conference, an angry spokesman for the Democratic Party of Serbia (DPS) accused the authorities of pursuing an "ostrich-like policy" in Kosovo.

The deteriorating situation has seriously alarmed international observers prompting the Americans to hastily open a US Information Centre in Pristina, Kosovo's capital. Speaking at the opening ceremony, John Kornblum, US mediator for former Yugoslavia, said the centre was another "proof of permanent US interest and concern for the people of the region." The State Department also strongly reconfirmed its stance that the Belgrade government has to show substantial progress before the "outer wall" of sanctions imposed on Yugoslavia can be lifted.

Tensions were further heightened in a speech last week by the president of the Serbian Academy of Science (SANU), as proof that the original Ser-



Bitter tears: The funeral near Sarajevo yesterday of 47 Muslims killed by Serbs in 1992 and buried in mass graves

Photograph: Peter Andrews

Alexander Despić, who called the Kosovo issue "the most important strategic problem of the Serbian people's future". He shocked listeners by indicating that, due to the overwhelming demographic superiority of the Albanians in Kosovo, the time had come for a possible "peaceful and civilised" secession of the region.

The Yugoslav League of Communists immediately criticised Despić's "reckless" stance, calling it "irresponsible" and dangerous for inter-ethnic relations in Kosovo. The LDK, however, welcomed Despić's proposal. LDK deputy chairman, Fehmi Aganović, told the independent Serbian newspaper Nasa Bošta that "this statement is interpreted by the Albanians as proof that the original Ser-

bian nationalist aggression has been defeated".

The SANU speech seriously alarmed Kosovo's increasingly wary Serb and Montenegrin population, who feel Belgrade is about to sell them out. Several thousand gathered in Gračanica monastery last Saturday for a meeting organised by the newly-formed Serbian Resistance Movement (SAM), who demanded that an internal consensus be reached, and the national interest be clearly defined before any solution to the problem of Kosovo was proposed.

Although President Milošević declined an invitation to present his views on Kosovo, the meeting began with a prepared address to the state leader, read by writer Aco Rakočević: "The Serbs of Kosovo refuse to be cattle peacefully led to the slaughter without knowing what awaits them."

In the absence of any initiative from Belgrade, the situation on the ground is becoming increasingly dangerous. The time for agreement between Serbs and Albanians is fast running out. The recent recognition of Yugoslavia by several EU countries and the failure of the Dayton Accord to address the Kosovo issue has left Albanians angry and disillusioned.

They feel they are now being forced to abandon their passive stance. At the same time Kosovo's Slavs, determined not to suffer the same fate of Serbs in Bosnia and Croatia, are mobilising themselves in their drive to keep Kosovo within the borders of Yugoslavia.



Milošević: led effort to integrate Kosovo into Serbia

Why we must not forget a shameful massacre

Srebrenica has not been forgotten. The dark hills around the small Balkan town, where between three and eight thousand people were killed by Bosnian Serb troops a year ago this week, are being painstakingly excavated by war crimes investigators.

Evidence is being accumulated at The Hague as the war crimes tribunal puts together its cases against the Bosnian Serb leader, Radovan Karadžić, and his military commander, General Ratko Mladić. There will also be memorial services across Europe to commemorate the bloodshed which took place a year ago.

The Hague tribunal has been hearing the evidence of witnesses of atrocities allegedly carried out for Karadžić and Mladić. Today, it is possible that the tribunal will issue international warrants for them.

The name of Srebrenica should be imprinted on the European consciousness, because the killings were, as one of the tribunal indictments put it, "the most horrendous, unimaginable war crimes committed in Europe since the end of World War II". Srebrenica's Muslim population "was virtually eliminated" overnight.

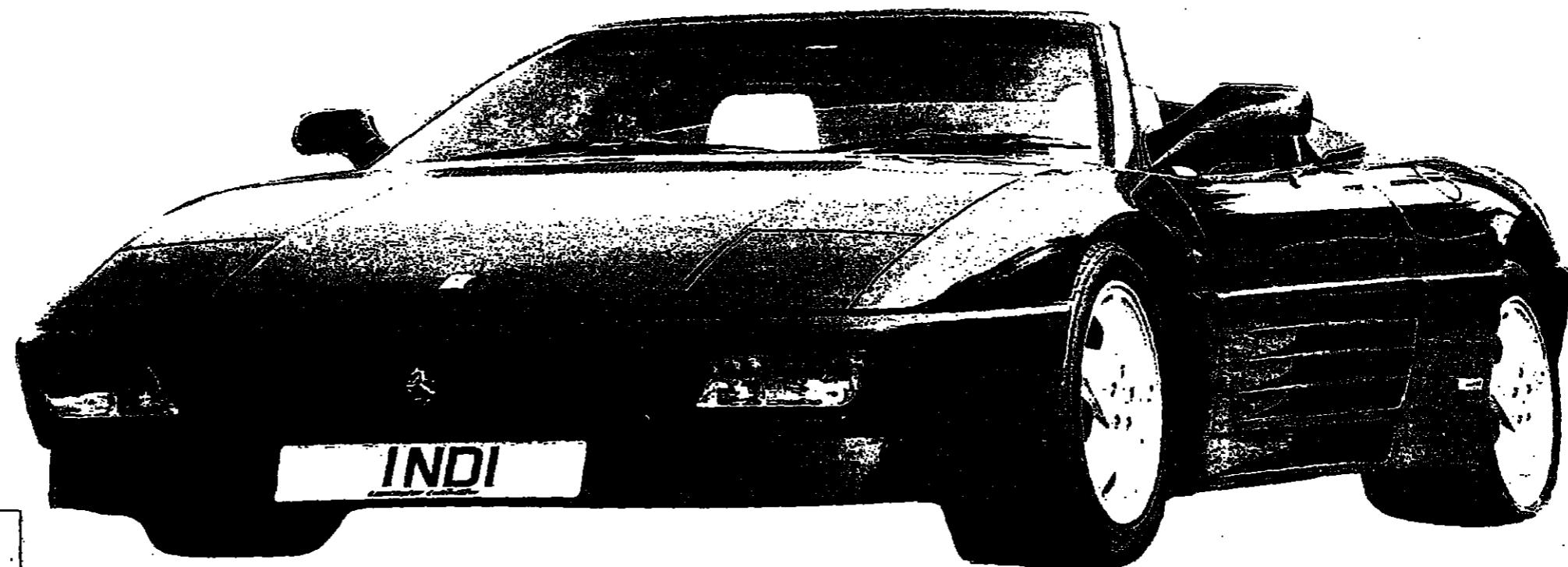
But what makes this worse is that this was an avoidable catastrophe. The Dutch United Nations troops were outgunned, and the mission that they were supposed to be carrying out—protecting the people of Srebrenica—soon proved impossible. The UN and Nato, despite all the firepower and authority that they should have been able to muster, were apparently able to do anything to stop the terrible carnage.

Many Muslims around the world cannot help but wonder if the reason why the massacre at Srebrenica happened and was not stopped, was because its inhabitants were Muslims. It is hard to disagree.

Justice must now be done. So the diggers must keep digging, the lawyers must keep working, and none of us should forget what happened in those dark forests a year ago.

ANDREW MARSHALL

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5. The winner must co-operate for

publicity purposes if required and accept that his/her name and photograph will be published in the paper. Photocopies of tokens not accepted.

6. The promoter reserves the right in their absolute discretion to disqualify any entry or competitor, nominee, or to add to, or waive any rules.

7. No correspondence will be entered into. Proof of postage will not be accepted as proof of receipt. The promoter will not take responsibility for entries lost or damaged in the post.

8. Readers may enter more than once, but only one entry can be entered per postal application.

9. The prize will be available to the winner for one month between August and December 1996.

10. The winner must be between 25-

70 years of age, have held a full driving licence for a minimum of 2 years and have a satisfactory driving record.

11. The prize draw is open to residents of the UK and the Irish Republic. The prize will be as stated, with no cash alternative. The Editor's decision is final.

THE INDEPENDENT TOKEN 3 FERRARI

the leader page

Enjoy the Mandela legend – cynicism can wait

Cynical, irreverent Britain is twitting with excitement for the imminent arrival of the inspirational South African president, Nelson Mandela this week. President Mandela is the stuff of romantic legend, as well as the greatest statesman alive. We want to gape in breathless awe at him, to grin, to cry and to give him a huge hug all at the same time.

Mandela's endurance as an international hero has been remarkable. True, in this sceptical age we are yearning for inspiration and leadership to revere. But we are quick to destroy it once created, too. With the media and public keen to sneer and deride, and intractable political problems, it is not surprising national leaders are knocked swiftly from their pedestals.

The scope for scuppering the reputation of the South African president was immense. How could any man be expected to live up to the myths and the *légende* built around his leadership during his years in prison?

We might have expected to watch Nelson Mandela's reputation crumble under the experience of power. Quite the reverse. If anything, the authority and legitimacy of his leadership have been enhanced by his six years of freedom. So in a world that prizes for leadership, it is worth considering what makes a leader great. British political life is dominated by grown men and women bickering and belittling each other. The

sight of Messrs Major, Blair and Ashdown hurling accusations at each other every week is hardly edifying.

In Nelson Mandela instead we find the power of the calm, quiet leader. When Mandela speaks, we listen. Not because he shouts or has tantrums, nor because he can hurt us, but because we respect him. The power that comes from personality alone, learnt during the apparently powerless position of prison when no other resources are available, is far more persistent than the transient power of those who occupy important positions.

His power is enhanced, too, by his moral authority and integrity. There is nothing like generosity in suffering to capture forever the moral high ground. Nelson Mandela's ability and determination to forgive despite his 27 years in prison for his cause have earned him unrivalled respect and admiration both at home and abroad.

Yet we should never forget quite what an astute politician Nelson Mandela is. All the moral authority in the world is no use without a little political acumen in the running of a government. Mandela has made a deliberate and largely successful effort to become the president of the entire South Africa, not just of the black majority. He has managed to personify the values of a very disparate nation.

This is the real test of a modern national leader. The strength and popularity of the Irish president, Mary Robinson, flow from her ability to represent the mixed values of modern Ireland. Yitzhak Rabin did the same in Israel before his assassination. The great leaders are those who manage personally to encapsulate the spirit of the nation, and then to lead it – as both Rabin and Mandela have done – towards a difficult but better future.

So Mandela has worked hard to reach out to every individual and every community in his nation. From his suffering and imprisonment he draws the authority to lead the ANC and the black majority that supports it. From

his generosity and his openness he draws the respect of the white and Afrikaans communities too.

It is hardly surprising that Mandela manages to appeal to white South Africa and to the British. In many ways he is the perfect British colonial leader. Imprisoned in 1963, he retains in his manner the formal politeness of the Fifties English law student. He is everything Rudyard Kipling's "I" poem ever said a man should be. He keeps his head when all about him are losing theirs; he trusts himself yet makes allowances for other's doubts; he waits and isn't tired by waiting, being hated

does not give in to hating; he walks with kings yet keeps the common touch."

And it is this last, this common touch, which reassures us that he is after all a modern democratic leader, rather than a Fifties patriarch. Mandela is the president who holds up banquets while he chats with kitchen staff, talks to the drivers as well as the dignitaries that sit in their cars, and plans to walk round Brixton, not just Buckingham Palace gardens. He retains the touch of humility wrapped up with the sadness of a fragile, lonely elderly man. He is the grandfather we want to embrace.

Other Western leaders pale in comparison. Clinton is good at the glad-handing, but he has little moral authority or dignity. The Queen may be dignified, but she has no common touch. Major and Blair may try hard, but we suspect their integrity, and we observe their triumphalism and their anger on a weekly basis.

Of course if Nelson Mandela were our own we would find ways to attack him and pull him apart just as we do with Major, Blair and the monarchy. His authoritarian style may indeed be hindering the development of proper democratic party government in South Africa. Crime is soaring, unemployment is uncomfortably high, and many blacks are unhappy with the slowness of change.

Were Nelson Mandela our president, it would be our duty to scrutinise him,

to criticise his failings, and to remind the public that he is as human as the rest of us. While he remains the leader of a foreign power, visiting for just a few days, we can enjoy the legend. We should take the chance to do more. In Trafalgar Square, opposite South Africa House, where the apartheid protesters kept vigil for so many years, lies an empty plinth. Here would be the perfect place to erect our own tribute to such a remarkable man and the struggles of his nation.

A volley of buttocks

It was a controversial claim, we admit. To criticise the extra entertainment at Wimbledon this year as "buttock-clenchingly naff". Many *Independent* readers wrote in to complain at our cynicism and whingeing about Cliff Richard's impromptu singing in the rain last week. They made a strong point.

But we believe the events of yesterday came to our defence. After a miserable, drizzly Wimbledon, one spectator chose to follow Sir Cliff's example with a little extra "light entertainment." What happened? A woman stripped, ran across Centre Court and clenched her buttocks for all to see.

LETTERS TO THE EDITOR

Labour hits back at 'green' Gummer

Sir: In the House of Commons it is out of order to call someone a liar, even when they are not telling the truth. I had to withdraw when I called John Gummer a liar at environments questions on Tuesday. I hope the same rules don't apply in your letters column, where he certainly wasn't telling the truth (5 July) about Labour's new document *New Labour, New Life for Britain*.

The document covers both national and international policy commitments on the environment. Friends of the Earth welcome "green pledges in Labour's new policy overview". The Environment Industries Commission called it a "very significant development" because "Labour recognises that Britain has a chance to win a lion's share of the new world markets for environmental technology". The Royal Society for the Protection of Birds welcomed our "commitment to reforming the Common Agricultural Policy and Common Fisheries Policy" – reforms which Mr Gummer failed to achieve when he was Agriculture Minister.

All three organisations quite rightly want more detail on our environmental policies and how we will implement them. Much is already set out in our longer policy statements from which the new document was distilled. More will be made available in due course.

Above all our document makes clear that "The environment is not just a matter for one government department but for all departments of government and should inform its decision making."

FRANK DOBSON MP
(Holborn and St Pancras, Labour)
Shadow Environment Secretary
House of Commons
London SW1

Sir: What a cheek for John Gummer to claim a "strong environmental record" for the Tories. This from the representative of a government which is building the Newbury bypass which has subsidised nuclear power for years and which has consistently failed to consider the environment in the development of policy – it having recently been revealed that, despite commitments to do so, no government department conducted an environmental appraisal of its policies in 1995.

It is true that Labour's document did not contain a major section on the environment. But then environment groups have spent years arguing that green issues could not be parcelled off on their own but should be integrated into other areas of policy. To its credit, Labour has begun to do this and the welcome commitment to making polluters pay, in the largest environment section, was joined by others elsewhere in the document.

Environmental responsibility for departments, an Environmental Task Force for unemployed young people, support for green business and technology, more efficient environmental practices by government.

Certainly we could have



Why men fail – and succeed

Sir: Yvette Cooper's witty article about the state of men (5 July) didn't mention one important aspect of "men achieving badly". Commentators never cease to wonder about the apparent contradiction between the increasing success of women in the job market and the continuing predominance of men in senior positions. Various explanations have been given: "the glass ceiling", "the old boy network", the "uncertainty" of women. Like many clichés they reflect the truth.

The division between the successes and failures in the job market is far starker between male peers than it is between females. The "winner-take-all" society we now live in is only a realisation of attitudes Western males have been reared to accept for decades.

While women students tend to graduate with upper seconds, their male contemporaries are more likely to collect firsts and thirds. If you observe students throughout the education system you will notice that, while girls tend to underestimate their abilities, but work steadily anyway, those boys who are pessimistic about their chances decide they would rather be seen to lose effortlessly than "win" despite having tried.

DAMIAN COUNSELL

Imperial College, London

Saddam plans to hoodwink UN

Sir: Saddam Hussein has a passion for vengeance – just ask his son-in-law. Your report "Defector exposes Saddam's lies" (5 July) gives further evidence that Saddam is interested only in vengeance and not in distributing food and medical supplies to the Iraqi people, despite agreeing to the UN's "oil-for-food" resolution.

He has submitted a food distribution plan to the UN that calls for the import of advanced dual-use technology that will be used to build up his military capacity. For example, he has requested sophisticated computers allegedly to be used for education. But in the past, computers imported by Iraqi educational institutions have been used in weapons research. The regime has also requested spare parts for helicopters which they claim will be used for agricultural spraying. However, these same helicopters can be used for chemical and biological attacks against the Iraqi people and against neighbouring countries.

When the "oil-for-food" resolution is implemented, Saddam will attempt to divert the \$40bn currently used for the Iraqi rationing system to build up his military capacity. The UN must increase its vigilance.

AHMAD CHALABI
President of the Executive Council
Iraqi National Congress
London

Military feet

Sir: Training shoes (letter, 5 July) are comfortable but not suited to carrying heavy loads, standing ankle-deep in mud, or climbing over obstacles, all inseparable from military activities. Feet which have not been toughened in leather shoes and boots get trouble when they are used hard in rocks, and the Army quite sensibly has taken note of this. Slog has nothing to do with it.

DR A.K. MIDDLETON
Letchworth
Hertfordshire

Baffled by league tables

Sir: Your assertion that people understand and compensate for the complexities of league table data (leading article, 3 July) sat oddly alongside Polly Toynbee's condemnation of tabloid readers' inability to see behind the printed word.

Many of the tables are based on poor data and unvalidated groupings. These are being refined over time so the league rating of one year may quite differ from subsequent years. Can the average layman fully grasp this?

It is difficult to avoid this logic when it comes from the very people whose agreement to a global programme of carbon contraction is the sine qua non of avoiding climate damage. GCI recognises this as the *realpolitik* of global climate change and we invite Mr Gummer and the Climate Action Network to do so, but what has happened to cancer

AUBREY MEYER,
Director, Global Commons Institute
London NW2

Birth without painkillers

Sir: I was disturbed to read your comments about natural childbirth (5 July). Surely you cannot be suggesting that women who subscribe to the idea of childbirth without drugs are putting their lives at risk. Women have died in childbirth, and still do, from the effects of poverty, deprivation and ignorance, from anaemia and malnutrition, obstructed labour, hypertension and thromboembolic disease and haemorrhage. These are all abnormal conditions, not natural causes. The reduction in maternal mortality, at least in the Western world, is due to better general health and education, access to maternity services, and our improved ability to detect and treat those abnormal situations.

We may be "better" at pain relief these days, but this carries a price. Narcotics can have a depressive effect on newborn respiration. Epidurals are associated with an increased risk of instrumental delivery, which has implications for foundations of the welfare state. Is

the health of mother and baby?

Schools may do very well, but do they use the same criteria as others for excluding their more difficult pupils? Current league table

politics encourage "creative" positive discrimination which effectively disadvantages the already vulnerable. Is middle-class glamour for data really worth that?

DR JOHN D. WILLIAMSON

Hove, East Sussex

Morality in the market place

Sir: If we're going to have a national debate on moral values ("Archbishop strides into moral maze", 6 July), I hope it will be a proper one. I hope we aren't going to spend all our time telling parents and teachers what to teach

children.

Let's talk about moral values in business too – about the moral obligations of shareholders to the board of directors; of directors to employees and to the local community. Is making a profit the principal aim of a business? Or is profit a necessary condition of its existence; so that it can provide employment, goods and services to the community?

Let's talk about moral

values in the market place.

Rebecca Fowler's piece ("When

stones and marbles are fought over", 4 July) Lord Elgin did not actually buy the Parthenon Marbles from a Turkish overlord. This is a common misconception which lends a kind of spurious legality to the operation. It is ironic in the context of the Stone of Scone affair that the marbles, so important to the Greeks, were removed from occupied Greece by a Scot. Let us right two wrongs while we're about it.

GRAHAM BINNS

The British Committee for the Restoration of the Parthenon Marbles, London N1

Losing our looted marbles

Sir: A modest correction to Rebecca Fowler's piece ("When stones and marbles are fought over", 4 July): Lord Elgin did not actually buy the Parthenon Marbles from a Turkish overlord. This is a common misconception which lends a kind of spurious legality to the operation. It is ironic in the context of the Stone of Scone affair that the marbles, so important to the Greeks, were removed from occupied Greece by a Scot. Let us right two wrongs while we're about it.

GRAHAM BINNS

The British Committee for the Restoration of the Parthenon Marbles, London N1

interview

Meet Heather, Britain's town hall terminator

Chris Blackhurst speaks to the woman who has said hasta la vista to fraudsters in a very rotten borough

This country struggles with Heather Rabbatts. Where there is corruption it remains hidden, swept away under the carpet. We do not like people who speak home truths, who embarrass us, make us feel uncomfortable, tell us there is a cancer in our midst.

Other countries, Italy and the US especially, have always had their crusading mayors, attorneys and magistrates. Here, we have never had a Rudolph Giuliani, the attorney who became mayor of New York with a promise to stamp out City Hall crime. Not until now.

Step forward Ms Rabbatts. Aged 40, half-Jamaican, married but separated with a 12-year-old son, she is our Giuliani. Lambeth, where she is chief executive of the local council, is our Brooklyn.

Typically, when it occurs in Britain, fraud is a one-off, an individual with their fingers in the till, who got greedy and was caught. Rarely are there instances of systemic, all-pervading crookery. One case which is an exception – possibly the worst there has been, worse even than Liverpool in the early Eighties or Tyneside in the Seventies – is

Lambeth.

Last July, Elizabeth Appleby QC, in a report commissioned by the council, described the south London borough as "an appalling mess. The financial control of Lambeth is such that vast amounts of money are wasted and in consequence services are severely prejudiced."

The policies of previous regimes, concluded the QC, had created the "perfect atmosphere for abuse of the system by persons working within Lambeth and outside". Council taxes were not collected, town hall employees were on the fiddle, subcontractors were ripping off the borough. A council that presided over one of the poorest areas of London, with its legacy of black youth unemployment, run-down

estates, non-performing schools and escalating levels of crime, was owed more than £200m in rents and local tax arrears.

Successive left-wing Labour councils, under "Red" Ted Knight, Linda Bellos and Joan Twelves had blamed the crisis on lack of central government cash. Appleby, although she did not name names, said different: "The failure to deliver proper services is nothing to do with under-funding, it is due to Lambeth's mismanagement of its funds."

Into this maelstrom stepped Ms Rabbatts. She was appointed shortly before the Appleby report was published. The advertisement for her post had left little to chance:

"Arguably The Worst Job In Local Government" it screamed and listed the reasons "why you might not want this job". It was an impressively candid list: non-existent morale, poor services, one of the worst reputations of any council in Britain, appalling public image.

Her friends, even her mother, said she did not need this. She was earning £80,000 a year as chief executive of neighbouring Merton council, a suburban, leafy doddle by contrast to the inner-city hell next-door. For cleaning up Lambeth, for overturning years of moral

and financial ruin, for making herself a hate figure, she was to be paid £115,000.

Headstrong and needing a challenge, she ignored the advice, "I like living on the edge," is her own explanation as to why she took the job. Little more than a year later and this fiercely determined woman reels off a set of statistics that would have even Giuliani and his legion of soft-shoes in New York drooling: council tax collections up from 56 per cent, then the lowest in Britain, to a more respectable 74 per cent; 60 staff sacked for fiddling; two senior employees facing serious criminal

gas fires in a pensioner's flat and managed to lose 1.2 million bricks, sufficient to build 2,000 homes, is barely concealed. In Lambeth, you pulled a lever and it was not connected to anything. The entire infrastructure was not operable."

The advertisement only hinted at how bad things really were. "I wasn't prepared for it, nobody could be prepared for that. The sheer scale of the absence of management in the whole organisation, which left it open to fraudulent practices, was unbelievable." In an early meeting with a council worker, Ms Rabbatts was told: "Lambeth has lost its way. It is like

we work here but the organisation has ceased to exist."

Her method of restoring that faith was to get her own way, with everything. Before she accepted the job, to the fury of some Labour die-hards who remembered the old days, she insisted on carte blanche to appoint her own people and dispense with those she did not want.

For someone who was a lawyer representing many of the Greenham Common women before going into local government, such undemocratic demands went against her CV, but, after protracted soul-searching by the council, she got her way. It helped that the council, since 1994, has had no overall majority, with power shared more or less equally between the three main parties. One unifying factor is Ms Rabbatts, their chief executive.

She is resistant to the accusation that her actions smack of another, more famous iron lady and that she has sold out in the pursuit of power. "No, I'm not a Thatcherite," she says, visibly bristling. Whatever she has done, she maintains, has been done with one thing in mind, to improve the lot of the people of Lambeth. If it hurts – and 1,200 staff cuts must have caused a lot of pain – so be it. "I did not come here to be Miss Popular."

Armed with her mandate to change, she set about hiring like-minded people. Existing staff were put through a series of competence tests. If they failed, they were out. If they passed with flying colours, fine, if they were on the margin, they were told to get their acts together.

Her top signing was Heather Du Quesnay, director of education in Hertfordshire, to sort out the borough's schools. Ms Du Quesnay, Chair of the Society of Chief Education Officers, was a major catch, and an appointment that went against Lambeth's recent experience.

The council is one of two London authorities selected for special inspection by Ofsted for their abysmal records. "We do have poor schools and we will sort them out," says Ms Rabbatts. "There was no real management team, people would not come and work here." Ms Du Quesnay's arrival on a salary of over £74,000, making her one of the highest-paid council education bosses in the country, sent out a clear signal.

Another was the creation of a 16-strong Corporate Anti-Fraud Team or CAFT, mainly drawn from people from outside the borough, to lead the fight against fraud, particularly in housing benefit which accounts for £25m to £30m a year. Despite all Lambeth's prob-



Heather Rabbatts: 'I did not come to Lambeth to be Miss Popular'

Photograph: Philip梅奇

lems, it is this battle she mentions time and again. "There were values and ethics here that said it was acceptable to commit fraud and cheat the system," she says. "The issue about fraud is that people were claiming monies which would otherwise be used for people who are poor – it is not appropriate for a local authority to turn a blind eye."

A week ago she gave evidence to the Commons Social Security Select Committee's inquiry into housing benefit fraud and had the MPs eating out of her hand. The Tories present failed to score many political points and found themselves in the unique position of congratulating the chief officer of Lambeth council.

Now, having moved on from in-house corruption and individual claimants' fiddling, she is

targetting the organised gangs who see housing benefit as easy money. In the past few months since her team began its drive, 4,000 private landlords have suddenly and mysteriously ceased to claim benefit. Members of her staff have been threatened. So far, none has been made to her, explicitly although "one is careful".

She is busy recruiting more

staff to go out on to the streets to inspect individual properties and root out the fraudulent claimants. Previously, the council benefits computer did not track cheques and there was no way of checking if staff were themselves claiming. All that has changed – her revamped computer found 50-odd claimants at one house alone – and staff have been caught.

Not everyone has been impressed. One group of ten-ants' representatives is considering judicial review over mass evictions for non-payment of rent. They blame the council's new insistence on repeated and detailed assessments for the delay in their getting housing benefit. Too much stress, they say, has been put upon beating fraud, rather than improving the payments system.

For Ms Rabbatts, any review is likely to be a small hurdle on a relentless path. "Lambeth is like Everest and we are just in the foothills," she says. Once that summit is reached, there will, undoubtedly, be a new challenge. Head of the National Audit Office or the Audit Commission perhaps? Somehow, you sense that if she was looking into a scandal like the spiralling cost of the British Library, those responsible would have been named by

now and be drummed out.

One of her most symbolic steps was at the expense of the previous leader. Until two months ago, Mr Knight could be found managing the Lambeth Social Club, a meeting place for trade unions and council staff in the town hall basement. The council took the club to court and evicted it from the building, for not paying any rent. One area of the club was known as the "Red Room", and was decorated with a piece of the Red Flag that once flew from the town hall roof. Mr Knight protested at the closure, saying, "I cannot think they would close down a whole social club of 1,700 members just to have a go at me."

That, Ted, was not the point.

Like many people in Lambeth are now finding out: if you do not pay your rent, you are out.

ENTRY FORM

BE A FAMOUS PHOTOGRAPHER

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The Heart of Britain Book, on sale in October 1996, will feature the 300 best photographs sent in by people like you. Just take your pictures between 1st July - 7th July and

Tomorrow's Britain • Animal Britain • Young Britain • Sporting Britain Working Britain • Britain on the Move • Caring Britain Good Time Britain • Beautiful Britain

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I would like to enter:

3 photographs for the Heart of Britain Competition and enclose £2

10 photographs for the Heart of Britain Competition and enclose £5

I agree to the terms and conditions detailed below:

Name _____ Age _____

Address _____ Postcode _____

Signed _____ Date _____

TERMS AND CONDITIONS

1. Send completed entry forms, photographs and a cheque or postal order (payable to Heart of Britain Competition, PO Box 100, Tulse Hill, SW13 0PS) before 7th July 1996. 2. Only black & white or colour prints (max. size 6x4") will be accepted. 3. Your name & address, the title of the photograph and preferred book chapter should be attached to the back of each photograph before attaching to the competition entry form. 4. Copyright in all photographs submitted is assigned to Royal Brompton Hospital Ltd Trust. Photographs can be returned to the competition address. 5. Closing date for applications is 21 July 1996. 6. Judging decision is final. No correspondence will be accepted within 28 days.

SO GET OUT THERE AND SNAP THE WINNER!

Aah! Those happy days of readers' letters

I am sometimes asked if there are any specific topics that prompt readers to write to a columnist. What do people get het up over? Is it politics? Television? Sport? Political correctness?

Well, in my experience it is none of these. People sometimes write in if they think their religious beliefs have been offended, but they are far more likely to write in to correct my spelling or grammar. Pedantry never dies. I know the feeling, because I am a pedant myself and tend to get hot under the collar if I see "Mr Jones's car" written as "Mr Jones' car" or if people say "disinterested" when they really mean "uninterested". But I am trying to arrest this process and I sometimes go so far as to lightly include a split infinitive in a column to gauge how many protests I will get. Not many, these days, especially since the last Keith lecturer once and for all nailed the so-called sin of the split infinitive as something invented by 18th-century

grammarians by false analogy with Latin.

However, pedantry is an arid subject compared to nostalgia, a healthy (or unhealthy) source of readers' letters. I recently mourned the passing of Willis Conover, the man on the Voice of America Jazz Hour whose voice for many was synonymous with their jazz education in the 1950s and 1960s, and there was a shower of letters from readers wanting to share their memories. A Norwegian reader now living in France remembered growing up in Oslo and getting the programme via Tanger in Morocco. Mr Joe Joseph of Bury remembers being in Singapore in the 1950s and getting the programme via Tokyo, though with some difficulty ...

In those days Singapore was still suffering from irregular power blackouts and on many occasions I missed the broadcast. Remember, this was before the days of the trannie. I built myself a battery-operated, one-valve SW receiver

I always enjoy stories like that, possibly because I haven't the faintest idea what they are talking about, at least, not the technical detail.

The youngest of the readers who remembered Willis Conover was Gerry Markey, a songwriter of Liverpool, who obligingly even sent me a song he had written of his memories of Conover in the 1960s. Living as we did close to Burtonwood US Army base, I used to listen avidly to the AFN ... I wrote this song to remind myself and every time I sing it I am back there with the washing hanging down over my head, the gas fire on and the kettle permanently boiling for cups of tea. The schoolbooks were incidental. They were the chore. The rest is priceless. Oddly enough, what I didn't realise then was that those were the days when at least I had the resources of concentration to write an essay, listen to my favourite music AND listen out for the light but severe tread of my mother,



Miles Kington

from a circuit in Practical Wireless just to receive that frequency. During the evening before the broadcast, I connected the HT and LF batteries to the receiver, slung a length of bell wire out of the window to serve as an aerial, donned my army surplus headphones and started to tune in. "I don't know if you are aware of the problems in tuning a very crude receiver. Even the act of breathing was sufficient to detune the frequency and I could only hope that nobody would come into my room to upset my delicate aerial. Happy days ...!"

who was a gifted musician but never keen on my dedication to the cause of memorising every song, singer and place in the Hit Parade of every soul song played on the VOA between 1967 and 1970."

Vintage nostalgia. I can't say I was ever struck on 1960s soul music, but I do remember Burtonwood base, which we used to pass en route to Liverpool in the 1950s, when Mum went on shopping expeditions there, and I can remember seeing behind the camp fence this extraordinarily shaped field which turned out to be a baseball pitch.

Stop! I am drifting into nostalgia myself. Let me end by saying that I have found in the past week or so that the best way to get readers writing to me is via neither pedantry nor even nostalgia. The best way to get reader reaction is to suggest that "Give him the money, Barney" was a catch phrase used by Arthur Askey. More of this thrilling topic tomorrow.

JULY 8 1996

Sentenced to hard labour

Despite advances, women's experience of childbirth is still being dehumanised by medical practice, says Sheila Kitzinger

A psychologist, Marianne Morris, interviews 16 women about childbirth and concludes that women can be classified in three types: Romantic Princess, Romantic Hero and Functional (The Independent, July 5). Why are women always being labelled like this?

Romantics of both kinds are, she claims, at risk of being traumatised by "the most painful experience in a woman's life-time". They look at birth through rose-tinted spectacles or are "determined to put on a heroic display, exhibiting a masochism that takes pleasure in excruciating pain. Functionals are level-headed and reasonable. In the paper she presented to the British Psychological Society she quoted Functionals: "As soon as it gets painful they can take over" and "It will only ever be what I want if I'm knocked out cold before anything happens."

There is, in fact, nothing particularly rational about such attitudes and women who plan a completely pain-free birth are often deeply shocked by the reality. The experience of birth is far more complex than this exclusive focus on pain. It depends a vast amount on the quality of the environment in which birth takes place.

That has nothing to do with whether there is a patchwork spread and a rocking chair or a TV set and everything to do with the relationship with those who give care. Many normal labours are made complicated, and apparently easy births made painful and frightening, because a woman's wishes and values are ignored or trivialised and her body is treated like a clapped-out machine that needs constant surveillance and advanced engineering to get it started and keep it running.

To pronounce on women's birth experiences as if they were the consequence of our own deranged psyches is to twist and falsify what women are saying about childbirth. Women are not responsible for bringing on themselves distressing experiences because of unrealistic expectations. Responsibility lies with hospitals in which the requirements of the institution take precedence over the needs of women and where the system of care is hierarchical, rigid and insensitive.

In many hospitals women have labour induced automatically if they go past their due date by 10 days or two weeks. They are harpooned to an electronic foetal monitor in spite of the evidence that electronic monitoring does not save babies' lives or produce them in better condition and that it often leads to emergency Caesarean section for no good reason. Women are subjected to the protocols of Active Management, which impose a time-table that does not permit any labour to continue beyond 12 hours, whatever a woman's wishes.

The whole procedure is clock-watched and the uterus stimulated artificially to force it to conform to the rules. Think of being required to empty your bowels, digest your food, or make love, while an expert stands over you critically observing your performance and with an anxious eye on the clock. Finally the woman's genitals are incised with an episiotomy to get the baby out more quickly.

All three "types" of women whose interviews were printed in the Independent, were distressed by their loss of control. It didn't matter how they were labelled. There is plenty of good research which shows that when women are disempowered in childbirth the experience is traumatic and is often remembered as a kind of rape, with long-term effects on personality and close relationships.

As a social anthropologist of birth, researcher into women's experiences and counsellor with the Birth Crisis Network, I have listened to thousands of women's birth accounts. While most women of all social classes, levels of education and cultural backgrounds are concerned about pain, it is not that they seek a promise of instant anaesthesia. Rather they want ways of handling pain that enable them to remain in control. They require accurate information, choices between alternatives, and to be able to make their own decisions. That may include the decision to hand over to the professionals. Vital is a continuing relationship with a skilled and understanding helper, giving unwavering emotional support.

Through the centuries and all over the world, women have formed a strong network of support for birthing women. Despite a popular Western myth that "primitive" women give birth completely alone, that is rarely the case. The traditional midwife is one of a group of women, family and neighbours, who give practical help and who also often enact powerful rites of birth which have deep religious and spiritual significance. The midwife choreographs a drama that reinforces female friendship and interdependence in the community.

In medieval times, a woman called on her God-Sins, literally "sisters in God", to support her. The many Sienese paintings of the Virgin Mary giving birth depict domestic scenes of women tending mother and baby. Till well into the 20th century this was the typical birth setting throughout Europe. Birth was an affirmation of women's friendship and understanding of each other's needs. Men were turned out of the house and women took over. The word God-Sis gradually changed in male language to "gossips".

In North American pioneer settlements there was a dearth of women to assist at birth, with women often travelling great distances to be with each other. The norm became: "I'll come and sew a quilt, make baby clothes, prepare the boning room, look after you at the time of birth, cook meals and take over the work in the orchard and dairy in the weeks after, and you'll come to me when I have my baby."

This was rural childbirth. It is worlds away from the medieval model.

Though we should welcome obstetric intervention when it is used appropriately and with discrimination, we should also recognise that we have lost



Women simply want to be treated with respect during childbirth, not as princesses or heroes

something precious. No woman should have to give birth under the gaze of perfect strangers, feel that she is a product on a conveyor belt, or have her body handled like a carcass in an abattoir.

leads to fewer birth interventions, less risk of episiotomy and more likely to have an intact perineum. They feel more positive about the birth, their own preparedness and how well they managed. Most women who had personal midwife care found birth "hard work but wonderful".

To give birth is an intimate, sexual and intensely personal act. A good midwife understands this. She provides more than technical expertise, careful observation and manipulative dexterity when it is needed. She gives herself. She is a strong anchor in the stormy sea of labour. She is a skilled companion who can be relied on utterly because she understands what you seek, and is committed to you. The humanisation of birth depends on developing one-to-one mid-wife care.

The writer's 'Pregnancy and Childbirth' has sold more than 1 million copies. Andreas Whittam Smith returns next week from holiday.

I have listened to thousands of women's birth accounts. They don't seek instant anaesthesia. They want ways of staying in control

We can start to reclaim the social model of birth when there is one-to-one midwifery care - when a midwife becomes a friend during a woman's pregnancy and cares for her during birth and post-partum. It is not an impossible dream. In an area of London covered by the Hammersmith and Queen Charlotte's hospitals a one-to-one system of midwife care for 800 women every year has proved safe and is much preferred by women. It

Dr Christine McCourt and Professor Lesley Page will be published by the Centre for Midwifery Practice at Thames Valley University in September. It reveals that with a midwife whom they already know and who is not flitting from one task to another with different women, women in labour need fewer pain-relieving drugs, and that the drugs work better if they are required. The epidural rate is much reduced, women are less

likely to be tethered to a monitor, less at risk of episiotomy and more likely to have an intact perineum. They feel more positive about the birth, their own preparedness and how well they managed. Most women who had personal midwife care found birth "hard work but wonderful".

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A farewell to alms – of the dottier sort

Our absurd charity laws benefit public schools and lady bountifuls, yet penalise self-helpers. Reform is vital

In 2001, England's first charity law will be 400 years old. How much more worthwhile an anniversary it would be if we were to use it as the occasion for reform of the extraordinary muddle and hotch-potch of official expediency and near dishonesty that passes under the name of "charity" at present.

Applying a tin opener to this can of worms comes a report today from a commission sponsored by the National Council for Voluntary Organisations. Although independent, the membership of the Commission on the Future of the Voluntary Sector is drawn from those up to their necks in the charity world – so it is hardly cause for wonderment that it steeps daintily around the really tricky issues. Reform – yes – but not talk of who the losers would be among the charities.

Why is reform vital? Because the charitable sector now has a turnover of £15bn a year with capital worth some £25bn. It matters because charitable status means every taxpayer is contributing heavily in tax forgone to a large number of mainly unaccountable and unscrutinised organisations, performing tasks that may or may not be much good.

It matters all the more now that the National Lottery is disbursing vast sums to charities amid howls of protest about what is and what is not a worthy cause. Charity about charity matters now more than ever as charities increasingly turn themselves from alms-givers into arms of government, competing for state contracts with the private sector.

In Queen Elizabeth I's day, when charity law got going, charity meant helping poor people. What does it mean now? At present four cate-

gories of activity officially qualify for charitable status – the relief of the poor; certain purposes recognised as beneficial to the community; the advancement of religion; the advancement of education. (Strict legal definitions say nothing, note, about animals or the other bizarre causes that have slipped in.)

Queen Elizabeth II's government – if it were to start from scratch – would have to rule out religion. The majority no longer believe in it, and it would be bad in a multicultural and heathen society to prove it did good rather than causing divisive harm. The Charity Commission accepts some cults others are excluded, but there is little to choose between some of them.

As for education – that is the biggest worm in the can. The law was designed to encourage the rich to pay for the education of the poor but now the poor taxpayer has ended up contributing to the education of the rich – the notorious Eton Question. Any reform of charity law would have to strike out the public schools. This has nothing to do with socialist vindictiveness or any desire to drive them out of business, for which there is rightly precious little public enthusiasm. It is simply impossible to reconcile Eton with the idea of charity, by no stretch of the imagination. Wills and Harry's education a charitable cause.

But controversy is no reason for a government, left or right, to flee from charity reform. For if the Government wishes to offer some equivalent support to private schools it can do so through some other educational tax dispensation without bringing the name of charity into disrepute.

Reform would bring other losers,

unemployment schemes are also currently excluded. The closer to the ground, the more local and genuine the group, the harder it is for them to fulfil the criteria for charity registration. It means the big old charities that may have lost their original freshness and zeal lie across the tracks of smaller user-groups who want to get started.

Today's report offers excellent recommendations for revitalising the whole sector.

But the real problem in all this – the one that will frighten any government – is defining in the modern world what we mean by the "good". Can we still agree on common purposes? The right-wing press's outbursts against some of the causes supported by the National Lottery Charities Board shows the problem. They only like the cuddly causes – children and the deserving sick. Forget AIDS prevention among gays, rehabilitating criminals, starving victims of African wars, or treating bad boys and drug addicts. If we were to remove charitable status to just those causes that no one could object to, then we'd end up with nothing but the National Society for the Prevention of Cruelty to Children, cancer research, the National Trust and lifeboats.

The answer could be that none of them should get tax-exempt status. All these voluntary organisations should simply operate as not-for-profit companies under normal consumer protection and company law. People could continue to donate according to their own particular whim – donkeys for some, drug addicts for others. The Government likewise. If old ladies want to leave money to cats, I do not want to be party to that lunatic trans-

charitable status – a simple declaration of "public benefit". But the Commission leaves it to others to determine who falls into that net.

There would be new winners – they are the weak, the small and those without clout. Currently excluded are some of the best and most useful new groups: self-help groups – everything from tiny prisoners' families groups to anti-drink and drug or smoking groups – left out because they do good to themselves and not to others. The old-fashioned law says that only lady bountifuls get charitable status while self-helpers do not.

The flourishing new credit unions,

social justice groups, human rights groups and many job creation and



POLLY TOYNBEE

religion and animals would be fallers under any new law that made any sense. Today's Commission report recommends a single criterion for

Religion and animals would be excluded under any new law that made sense

How to snap the snappers

An insider's guide to beating the paparazzi. By Glenda Cooper

From time to time, pols reveal the most unpopular and untrustworthy professions. Usually MPs, journalists and estate agents fight it out at the top. But one species is more hated than all the rest. Spurned by the man in the street, reviled by celebrities, we have the hapless newspaper photographer.

This weekend, two more fell victim to angry public personalities. When Martin Stebbing followed the Princess of Wales on his motorbike, his solution was simple and effective. She jumped out of her car, pinched his ignition keys and drove off laughing. A classy act for a media manipulator.

James Aylott had a less pleasant experience. Disturbing Paul Gascoigne on his honeymoon in Hawaii, Aylott found himself in hospital after someone struck him with a stone. An effective technique, but involving less finesse, than the Princess showed.

A photographer's lot is not a happy one even within the newspapers they work for. Usually nicknamed "snappers", the alternative, crueler term is "monkeys" – because of photographers' tendency to jump up and down, run backwards and climb trees. But for any celeb who has borne the indignity of seeing the inside of their nostrils all over the front page or their cellulite revealed getting out of a limo, there is no love lost.

In the old days, of course, the simple way to avoid appearing in the papers in an unflattering light was to cover your features with a newspaper or umbrella. Sadly, this no longer works unless you want to affix an umbrella permanently to your forehead. Even then, editors have discovered that photos of people trying to hide are funnier than those of them walking normally, and so are much more likely to be used.

No, in today's world, avoiding photos is a more sophisticated process, requiring careful planning and superb execution. So here we can exclusively reveal the insider's guide to beating the paparazzi.

First, perfect the art of blinking slowly and regularly. Nothing annoys a snapper more than a picture ruined by someone's eyes closed (unless, of course, the story is that you have a drink problem, in which case rumours may be fuelled).

If this is too difficult, it is time to hire burly minders, each armed with sharp scissors to snip the camera strap at the crucial moment. Minders can also distract snappers with comments such as, "Look, mate, Madonna isn't here and she

told me she's not coming down stain today," while you slip out the back door.

The truly professional solution is to hire lots of security guards to hustle your lookalike (preferably under a shawl) out of the hotel front door amid shouts of "ou omfway!" Two hundred photographers will immediately pursue said lookalike around Kensington for hours, leaving you free to browse happily in Soho.

The other alternative is to offer one photographer a place on your private plane without specifying a name. Let the monkeys fight it out among themselves – it's prudent to call the ambulance in advance – and taxi down the runway leaving the yell of pain behind.

Perhaps the most effective technique, though, is treating photographers like human beings. Used to hurled insults, stony silence and physical abuse, a photographer who is treated in a civilised manner will be pathetically grateful. At the height of the Sara Keays scandal, Cecil Parkinson invited snappers soaked in the rain to shelter in his garage. Later, he

A photographer treated civilly will be pathetically grateful



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Prince William at Eton: an unsuitable candidate for charity Kent Gavin

Institutions turn cool as AIM becomes victim of own success

The Alternative Investment Market is in danger of becoming a victim of its own success. There are clear signs of overheating, with old-fashioned new-issue fatigue leaving many investors reluctant to take up shares.

Half-a-dozen institutions are said to have turned their backs on AIM, at least until the autumn. They are believed to be fed up with the amount of time and effort they are expected to spend dealing with the inevitable round of presentations that accompany most flotations. And often the companies are so small and with so little investment appeal that fund managers find the exercise a waste of time.

There are also said to be worries about the liquidity of the junior market and the lack of interest often apparent once initial dealing has been completed. The twitchiness creeping into the AIM new issue queue was highlighted by

stockbroker Teather & Greenwood. It emerged that it had pulled the flotation of VLSI, an Uxbridge distributor of computer components, not because it was worried about the company but it felt the market was "a bit iffy".

Said the broker: "Everyone has either gone away for their holidays or gone to the Test match at Wimbledon. We feel it might be in the company's best interests to hang on until the autumn".

With the stampede to take AIM gathering strength there seems every chance that others will suffer the same fate as VLSI. The astonishing success of AIM has surprised many. Since it was launched last summer it has attracted a stream of companies, ranging from established groups to hopeful newcomers. The nearly 200 constituents spread over breweries, football clubs and assorted hi-tech groups.

Dixons of Bath, a stone-

mason, joined on Friday Cirqual, an aluminium specialist, arrives on Monday. It is led by ex-FKI chief executive Tony Gartland and is expected to achieve a healthy premium over its 1225 placing. Watermark, a sales promotion and event management group moving from Oxfex, should appear this week via an introduction by stockbroker Duracher. Its chief executive is former broker John Caulcutt.

BATM, a maker of high-speed data equipment, is another candidate for a debut this week. Others hoping soon to embrace the fledgling share market include Alizyme, a biotech business; Chemical Design; Faynewood, an audio equipment group; Hat Pin, a headhunter; Jeff Wayne Music; Life Numbers, supplying personal telephone numbers; London & Edinburgh, a publisher; LotteryKing, offering lottery tickets and dispensers to clubs; Network Technology, a com-

puter group; Pordum Foods, a gourmet meals delivery service; SCI, a computer games designer; and Tescom, a computer software manufacturer.

At least a score of other companies are at various stages of working their way to the junior market.

Orex, the fringe share market run by old-style jobber John Jenkins, has also enjoyed a new issue rush. It too has exceeded expectations, with the shares of more than 100 companies already traded. It has successfully undertaken its biggest cash-raising exercise, pulling in £2m for Robotic Technology, which has a robot-operated grinding system. It also has a stream of newcomers on their way, including Happy Hotels, Legends, a water sports retailer, and Woodstock, a pubs chain.

The new issue queue for the main market is less congested. Allied Carpets, British Energy and Somerfield, the supermarket chain, are among those on their way.

Although the Government has made a significant contribution - Railtrack as well as British Energy - the flow of new issues to the main market has been surprisingly thin. Somerfield's £500m flotation is the biggest non-privatisation share sale so far this year.

Even rights issues have been relatively subdued, considering

the level of the market. Cash calls have yet to reach £3bn so far, well below the £10.1bn beginning bowl peak of 1991.

Big rights issues and flotations have, therefore, had little influence on the market's first half-year performance and Bob Semple at NatWest Securities is not looking for a rush of opportunistic cash calls in the rest of the year.

Political worries remain the

biggest influence on the market which had a volatile time last week. Nick Knight at Nomura believes there is no shame in sitting out the rest of the summer with cash in the bank. He is one of those looking for a year-end profits around 3,400 points.

"Investors should still sell the advice, buy the dips," is his

advice. But Ian Hartnett at Société Générale Strauss Turner believes the market is ready for a "major correction of 10 per cent or more".

The results programme, not

surprisingly, is getting increasingly thin. Only two large groups are scheduled to offer figures this week.

Today, Tomkins, the conglomerate, is due to roll out figures. They are unlikely to be much of a surprise; only a few weeks ago it forecast profits would be "in excess" of £30m. Last year's figure was £30m. Like other conglomerates, Tomkins' shares have had a poor time; they are only just above their 12-month low.

On the other hand shares of Dixons, the electrical retailer, are having an electrifying time, near their peak at 512p.

Profits due on Wednesday, are likely to emerge at around £138m, against £100.3m. Hopes are running high for continuing progress this year, with the group's dominant position in its segment of the retail market and the feel-good factor less elusive. The shares, weighed down by its US problems, were a mere 170p two years ago.

STOCK MARKET WEEK

DEREK PAIN

Stock market reporter of the year

DIKSONS
share price, pence

| Date | Share Price (pence) |
|-----------|---------------------|
| July 1994 | 250 |
| Oct 1994 | 300 |
| Dec 1994 | 200 |
| Jan 1995 | 500 |
| Mar 1995 | 512 |
| May 1995 | 512 |

Even rights issues have been relatively subdued, considering

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, expressed as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Source: FT Information

PP Party Paid pm NL Paid Shares, £ All Stock

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business

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Industry calls for changes to PFI

MICHAEL HARRISON

The Government's beleaguered Private Finance Initiative will come under further attack this week in a report from the Confederation of British Industry calling for key changes in the way it operates.

The CBI report, due to be published on Thursday, will recommend that in future the PFI should apply to fewer and bigger projects with a threshold below which Government departments would no longer need to seek private funding for public transport and health schemes and the like.

This would be an important change in the way the PFI functions. Two years ago, in a bid to kick-start the initiative, Kenneth Clarke, the Chancellor, said that no public sector capital projects would be considered unless Whitehall had first sought to finance them under the PFI.

Although projects worth nearly £5bn have been awarded, the Channel Tunnel rail link accounts for £3bn of this. A further 1,500 schemes worth

£27bn have been identified but the vast majority are small projects worth under £25m.

The CBI will argue that this has clogged up the system, making the PFI still more cumbersome and the bidding process too costly compared with the projects on offer.

The fresh criticism comes amid growing concern in government circles at the failure of the PFI to deliver, and the withdrawal of construction group Taylor Woodrow from the bidding for a prestige £100m PFI hospital project in Dartford, Kent.

Mr Clarke has reportedly written to the Deputy Prime Minister, Michael Heseltine, warning that the initiative risks being "discredited" unless Whitehall departments speed up the awarding of contracts.

The CBI report, drawn up by a steering group representing contractors, IT and facilities management firms and financiers, will also call for a case-by-case approach to the way that risk is divided between the public and private sector.

A source said that a "culture change" was required in the way Whitehall assessed risk management and risk transfer.

The report will voice concern that the PFI is being used to substitute normal public spending on the infrastructure rather than bringing in additional finance. It will also warn that insufficient attention has been paid to the impact on the PFI of future levels of government spending since the initiative is

in effect a way of replacing capital spending today with current expenditure tomorrow. Under the PFI the private sector pays the up-front cost of a project and then earns an annual fee for running it or leasing it back to the Government.

The CBI will caution that this may distort investment decisions, resulting in projects going ahead not on the basis of their merit but whether the private sector can make a profit.

Charles Cox, an executive director of the computer group Hoskyns and the head of the CBI's steering group said: "We support the objectives of the PFI but there is a great deal of frustration at its implementation. It is not living up to the expectations of the business community or of the Government."

The report will concede that when the PFI works it works very effectively, typically producing cost savings of 20 per

cent. But the CBI believes that the delivery is too patchy.

In his letter to Mr Heseltine, the Chancellor says that when a preferred bidder has been selected things should not be allowed to "drift", adding that some service providers feel the Government loses interest once the initial announcement has been made.

Mr Clarke's observations may cause some wry smiles among contractors since one of

the most high-profile PFI projects – a £200m scheme to refurbish the Treasury's headquarters in Whitehall – is running a year behind schedule.

The Financial Secretary to the Treasury, Michael Jack, the minister responsible for the PFI, introduced new guidelines to speed up the bidding process earlier this year. He said £5bn worth of deals had been done and £1.4bn of projects would have been agreed by 1998-99.

Lloyd's also said over the weekend that it had made headway in reaching agreement with US names, who have invoked US state laws in their battle to reduce their commitment to finance past losses in the London insurance market. Lloyd's officials met the American Names Association last week.

A spokesman said yesterday: "Good progress was made and we hope that in the course of the next few days we can resolve matters satisfactorily."

Coming after many of the members' action groups lent their support to the plan last week, the weekend news will buoy the Lloyd's authorities ahead of next Monday's annual and extraordinary meetings, at which the proposals must be given the green light by the market's backers. David Rowland, Lloyd's chairman, commented:

"I am greatly encouraged that the majority of members recognise clearly the settlement offer we are making reflects the efforts that all parties have made to build consensus to resolve our problems."

The latest survey, part of a regular series carried out by Market & Opinion Research International, shows that just over a quarter of the 500 members polled still feel unfairly treated by the settlement, despite Lloyd's agreement in May to top up the original proposals by £300m.

Support for the special contribution of £440m to be levied on names writing business in the profitable years of 1993, 1994 and 1995 has also slipped.

On Friday, Lloyd's is expected to end five years of losses by announcing a profit of £1.18bn for the 1993 underwriting year.

Guinness rules out Grand Met bid

MAGNUS GRIMOND

Guinness, the drinks giant chaired by Tony Greener, yesterday signalled its readiness to take radical action to revive its flagging earnings growth after admitting that it had looked at launching a £13.2bn megabit for rival Grand Metropolitan.

A move of such size would revive memories of the controversial £2.4bn takeover of Distillers 10 years ago and represent one of the biggest bids ever seen in the UK.

The company in effect squashed the plan put forward by its merchant banking advisers Lazard Frères, which would have involved taking on more than £10bn of debt and selling off the

historic stout-brewing operation to create the world's biggest spirits business. But the fact that a deal of this size was considered will suggest to many in the City that Guinness is ready to move up a gear in tackling its stagnating traditional drinks markets and recent management problems in its spirits division.

Guinness yesterday poured cold water on any suggestion it was ready to go for Grand Met, a move that has been rumoured for some time. It said that, as with other large companies, it routinely analysed possible developments in the industry. "It regrets that documents relating to one such hypothetical possibility should have been subject to unauthorised publicity. Guin-

nness has no intention of making a hostile bid for Grand Metropolitan or demerging or selling its brewing interests."

Gerald Corbett, finance director of Grand Met confirmed that no takeover or merger talks had taken place. He dismissed the Lazard plans as part of normal business life. "Merchant banks' waste paper baskets are full of similar proposals," he said.

Much of the proposed £10.6bn cash cost of the bid, dubbed Project Reflection, would have been recouped by selling off assets, including Guinness' brewing division, which is valued by Lazard at £3.7bn. Other disposals would have comprised Grand Met's food division, including Pilsbury doughnuts to Haagen-Dazs ice-

cream, expected to fetch around £5bn, and the Burger King to Pearle eyecare retailing businesses, valued at £2.5bn.

Apart from huge capital gains tax liabilities on these sales, Grand Met's valuation of brands on its balance sheet could have created problems for potential US bidders, who would have been forced to depreciate them over a period of years, depressing earnings.

Guinness would also have been political hurdles. Merging Guinness' Johnnie Walker, the world's biggest selling whisky, with Grand Met's J&B, the second-biggest, could have given the combined group 40 per cent of US and UK market, according to some estimates.

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Tony Greener: Ready for radical action to revive growth

Feel-good factor returns to industry and the City

MICHAEL HARRISON

The feel-good factor is flooding back into the economy according to a welter of surveys out today showing a sharp rise in confidence across industry, the City and consumers.

The Confederation of British Industry reports that optimism among financial services firms is at a three-year high following the biggest increase in business since 1989. The survey is backed by a Gallup survey for the investment bank Merrill Lynch showing that UK fund managers are much more bullish about the equity market now than they were a month ago.

Separately, the Finance and Leasing Association predicted that consumer confidence would rise and rise after its latest figures showed a 24 per cent increase in demand for credit year on year.

The picture of economic optimism was further reinforced by a KPMG survey showing that business is booming among

owner-managed companies where profits are up by an average of 18 per cent compared with the previous 12 months.

According to the latest CBI-Coopers and Lybrand financial services survey, optimism is increasing at the fastest rate since March 1993. Building societies report the strongest rise in business confidence followed by banks and life insurers.

Only general insurers, security traders and venture capitalists record a drop in confidence compared with three months ago.

Despite the rise in confidence, employment in financial services fell in the second quarter of the year and bigger job cuts are expected over the next three months. The rise in business volumes has also come at the expense of narrower margins, said CBI economist Sudhir Janakar.

The Merrill Lynch survey, compiled before last Friday's sharp correction on Wall Street, shows that a balance of 20 per

cent of fund managers are more bullish than bearish on UK equities with general retailers the most favoured stocks. Last month there were fractionally more bears than bulls.

Martin Hall, director general of the Finance and Leasing Association, said its members expected demand for consumer credit to rise considerably in coming months, bolstered by falling interest rates and taxes.

In May, total consumer credit provided by FLA members rose 24 per cent to just over £2bn.

According to KPMG, operating profits among owner-managed businesses are growing most strongly in the west of England, where the increase was 34 per cent, followed by the Midlands. Firms in the South-east reported the fastest growth in turnover. The report attributed the improvement to improved technology, cost control, investment and marketing.

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Dutch and Italians 'meanest in Europe'

PATRICK TOOHER

National stereotypes are both reinforced and challenged with the publication today of an extensive survey on European consumer spending habits.

The phrase "going Dutch" is given added resonance with the revelation that the good burghers of Holland, together with their Italian counterparts, are the least generous in Europe. They spend a miserly 1.7 per cent of their annual household income on gifts for friends and family.

The Brits, on the other hand, emerge as the most generous, splashing out £450 a year, or 4.4 per cent of monthly household expenditure on couture. Only the Austrians are as mean as the Swedes.

The survey by credit card company Visa also confirms that an Englishman's home remains his castle. Almost a third of UK average monthly spending goes on housing, a figure beaten only by

Swedes of the frozen north. But the notion that the French and the Italians are obsessed with style and fashion is comprehensively debunked. In fact, the Dutch and the Turks allocate the highest amount of their monthly income to clothes.

While Italians' spending is line with the European average, the French put aside a mere 6 per cent of monthly household expenditure on couture. Only the Brits and the Swedes are as mean as the Swedes.

As with most surveys, some of the findings are entirely overwhelming. For example, spending on holidays is generally lower in the warmer, Mediterranean countries.

Apart from wide differences in spending patterns the survey of 5,000 Europeans carried out for Visa also showed varied attitudes to payment methods.

Plastic is most popular in the Netherlands, where 92 per cent of those surveyed hold a payment card, followed by the UK on 72 per cent.

Somerfield profits surge by 43% despite slow Gateway

NIGEL COPE

Somerfield, the debt-laden supermarket group seeking a £150m stock market flotation this month, has seen a strong rise in operating profits though sales are still being held back by a poor performance from the old Gateway stores.

Profits in the year to April rose 43 per cent to £100.5m, boosted by higher sales of own-label products, a stronger fresh food offer and better control of the supply chain. It is also understood that some of the profit's rise came from bulk discounts from suppliers.

However, the company stresses that its method of accounting for such payments is not that employed by Wickes, the DIY group, where bulk discounts caused a profits overshoot. David Simons, Somerfield's chief executive and a former finance director, says such payments are monitored closely.

Somerfield's sales last year

were flat at £3.16bn. The 343 stores trading under the Somerfield name have performed well but the 238 Gateway stores are experiencing weak demand.

In the eight weeks since the year-end the company says trading has been above expectations. It is thought that like-for-like sales are running around 5 per cent above the same period last year. Though this is way behind Asda, where sales are 12 per cent higher, it is ahead of Sainsbury's which announced a 3.3 per cent uplift last week.

The margin has been increased from 2.2 to 3.2 per cent helped by a better fresh food offer, lower levels of waste and better management of the supply chain.

The company has extended its Premier Points loyalty scheme to 284 stores and hopes to offer it in all the converted stores by September. So far around 3 million customers have taken up the card. The sales uplift is 5.6 per cent. Net operating cash flow is strong, up 18 per cent to £160.8m.

Though some sections of the City have been negative about the longer-term prospects of the company, Mr Simons said the feedback from potential investors had been good. "We've had a good response, though obviously people are keeping their powder dry until the pricing."

He said there was still room for improvement in the margin and supplier arrangements.

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

IN THE MATTER OF
ROYAL INSURANCE HOLDINGS plc
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on 18th June 1996 presented to Her Majesty's High Court of Justice for (a) the sanctioning of a Scheme of Arrangement and (b) the confirmation of the reduction of the capital of the above-named company.

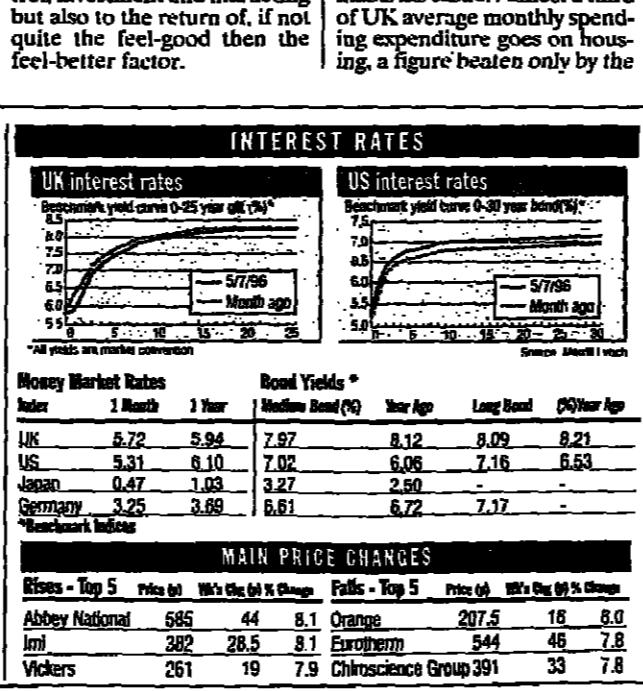
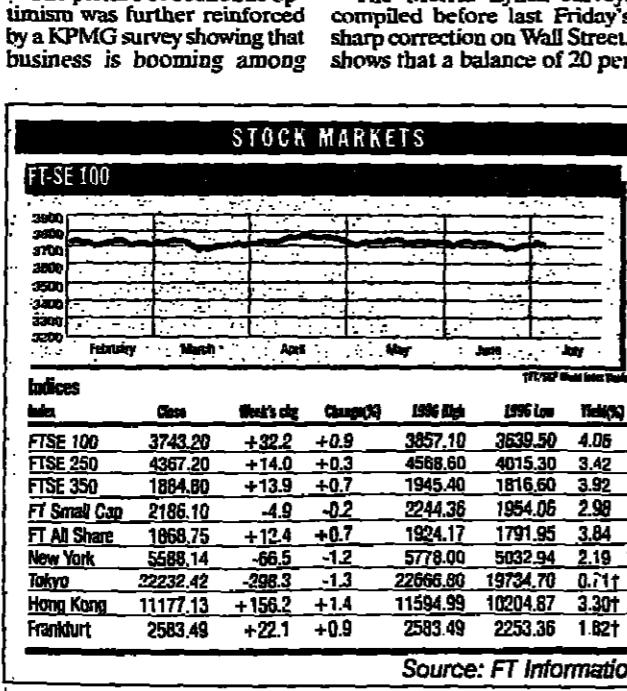
AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Companies Court Registrar at the Royal Courts of Justice, Strand, London, WC2A 2LL on Wednesday the 17th day of July 1996.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for the purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated the 5th day of July 1996.

LINKLATORS & PAINES (DTL)
Barrington House
59-67 Grosvenor Street
London EC2V 7JA
Solicitors for the above-named Company



July 11 to 15, 1996

business



GAVYN DAVIES

If Labour's budget objectives allowed the PSBR to be around 1 per cent of GDP higher than the Tories over the medium term, this difference would be equivalent to £8bn off the annual tax burden'

Labour might have more room for manoeuvre

The details of fiscal targets might appear a suitable subject only for economists, but in fact this subject could have crucial political ramifications in the next parliament. If, for example, Labour's budget objectives allowed the PSBR to be around 1 per cent of GDP higher than the Tories' over the medium term, this difference would be equivalent to £8bn off the annual tax burden, giving the next Chancellor room to introduce a permanent 3p cut in the basic rate of income tax. It is quite possible to imagine that a figure of this magnitude could settle the result of the general election after next, so these matters should not be shuffled into the darker spaces of obscure policy texts.

A couple of weeks ago, I wrote in this column that Labour's fiscal objectives would probably turn out to be a little less tough than those of the present Government, and implied that this might leave scope for lower taxes or higher public spending than would be possible under the Conservatives' medium-term policy framework. I was taken to task for this remark by Ed Balls, the very able economic adviser to Gordon Brown, who told me that Labour's objectives were at least as tough as Ken Clarke's, and that there was no intention of allowing scope for an easier fiscal stance if Labour won the election. Since this dispute can now be settled by reference to the precise commitments in Labour's policy document published last Thursday, it is a subject worth revisiting.

Let us start with the present Government's fiscal targets. In the Budget Red Book of 1994 – it is necessary to go back that far for reasons that will soon become apparent – the Chancellor committed himself "to bring the PSBR back to balance over the medium term". Clearly, then, the Government's eventual objective was to eliminate the PSBR altogether, but the reference to "over the medium term" was obviously very vague. It could mean almost anything – three years, five years, 10 – all of which would have totally different implications for the path for the PSBR, and for the steady state levels of taxation and public services in the economy.

However, the 1994 Red Book also contained a concrete path for the PSBR, so it was easy to see what the Government might have meant by its reference to the "medium term". Specifically, the Red Book arithmetic showed the PSBR being eliminated by 1998/99, so it seems sensible to assume that this was the Government's definition of "the medium term".

The situation changed between the Budgets of 1994 and 1995. Last year, the Red Book said that the objective was "to bring the PSBR back towards balance over the medium term". Note that the word "towards" has been substituted for the word "to" in the previous Red Book, thus making the commitment somewhat vaguer. In addition, the budget tables showed that the PSBR would be eliminated in 1999/2000, a year later than

previously planned. Nevertheless, the eventual objective of budget balance remained in the document, and the Chancellor has since re-emphasised that he believes this to be an important target which cannot be allowed just to slip around from year to year for the sake of political convenience.

The situation was further complicated, however, by the fact that the 1995 Budget added a new commitment, which was "in particular to ensure that when the economy is not on trend, the public sector borrows no more than is required to finance its net capital spending".

This is a very specific formulation of the golden rule of public finance, which very few people seem to remember appeared in black and white in last year's Budget. And it is not necessarily consistent with the long-standing promise to achieve budget balance over the medium term.

In fact, if the Government were content simply to achieve the golden rule, then they would need to do no more than limit the PSBR to about 1 per cent of GDP over the medium term (i.e. the amount that the Government invests each year), and would not need to achieve the tougher objective of eliminating the PSBR altogether.

Thus, the Chancellor appears to have two targets, involving a PSBR of zero, or of 1 per cent of GDP, and you can take your pick between them. To my knowledge, the Chan-

cellor has never sought to clarify this ambiguity – and, indeed, has never been challenged to do so.

Now what about Labour? Like the Government, it has two separate fiscal objectives, one of them is once again to enforce the golden rule – "we will only borrow to invest, and not to fund current expenditure" – so there is no difference on that score from the Tories. However, the second Labour objective is quite different. "Over the cycle," its policy document says, "we will ensure that public debt as a proportion of national income is at a stable and prudent level."

It is hard to be absolutely precise about what this second objective means, since the words "stable and prudent" are not exactly defined. But if we assume that Labour would try to hold the debt ratio at 55 per cent (which is roughly where they would find it), then this would imply that the PSBR could be left indefinitely at around 2 per cent of GDP.

Thus the range of Labour's objectives for the PSBR would appear to be 1 per cent of GDP at the low end and 2 per cent at the high end. This compares with the Tories' range of 0-1 per cent of GDP.

Looked at one way, we might therefore conclude that the main objective of both parties is to hit the golden rule, so there is not the width of a cigarette paper between them. I suspect that this is what Ed Balls had in mind when he disputed the assertion in

previous column. But the subsidiary objectives – budget balance for the Tories, and a stable debt ratio implying a PSBR of 2 per cent of GDP for Labour – are rather different, and would appear to me to give Labour rather more room for manoeuvre than the present Chancellor has allowed himself.

It is far from clear that Gordon Brown would seek to use this objective – in fact, everything he says suggests that he would leave the fiscal framework largely as he would inherit it from Ken Clarke – but nevertheless some extra wriggle room would probably be available if things were to go wrong. And things could well go wrong, since tax receipts are mysteriously melting away, and the Conservative plans for public spending will be extremely difficult to achieve. On Thursday, the Cabinet re-affirmed that it will seek to limit the growth in the nominal control total of public spending to only 3 per cent next year, implying that real growth will only be about 1 per cent.

Furthermore, it is quite likely that the Cabinet will agree to cut this total further in the spending round just starting in order to leave some room for minimal tax cuts in November.

Given these impending problems, Mr Brown may need to use every ounce of the flexibility he has left himself on the PSBR, if Labour should win.

Woolwich's new boss tells Nic Cicutti why the society is not going to be sold 'on the cheap'

Stark choices on the road to conversion

There are times when all of us are faced with the starker of choices. If you are, say, a scumball, it might be the moment when a high ball unexpectedly drops into your hands and you look up to see the 19-stone frame of Jonah Lomu suddenly thundering towards you. Rugby aficionados call it the "hospital pass".

For John Stewart, newly appointed chief executive at Woolwich Building Society, the same point will come should he face Peter Davis, his opposite number at Prudential, bearing down hard on him. Can he dummy smartly round Mr Davis to score a quick £3bn flotation some time next year?

The stakes are high. Prudential has openly stated its ambition to become one of the UK's top financial services players, with a branch-based mortgages and savings operation as a key part of its operation. Speculation of an imminent bid for Woolwich has been rife for months.

Meanwhile, the society, which announced its flotation plans at the beginning of the year, in the process raking its studs over the concept of mutuality, tripped up in April when it dumped its former captain barely three months into the conversion countdown.

Mr Stewart, the society's former operations director, was drafted into the top post after an exhaustive three-month examination of candidates, with himself as the only insider to apply. Unfriendly observers claim outsiders dropped out because none of them fancied the job of running Prudential's mortgage arm in a year's time.

True or not, Mr Stewart is unfazed. "My position and that of the board is that we believe we can make Woolwich into a plc. We have no problem competing with other financial services institutions. On the other hand, if someone comes along and makes an offer, and everything is right about it, then there's probably no good reason why I would turn that down."

We would certainly look at that very seriously, but what we are not going to do, because we have lost our chief executive in an accident, is sell the business on the cheap."

The "accident" he refers to

is the sudden departure of his former boss, Peter Robinson, accused in April of financial irregularities, including the use of society gardeners to work on the grounds of his home in Kent.

The charges, always strenuously denied, were resolved the day after Mr Stewart's appointment, with Mr Robinson, aged 54, being allowed to retire

THE MONDAY INTERVIEW

JOHN STEWART

early. Mr Stewart admits that the manner of his predecessor's departure was an own-goal for Woolwich: "The society's reputation, which has really been one of the best, has gotten tarnished for a while."

At the same time, he does not accept that appointing Mr Robinson as chief executive was a mistake in itself: "He has tremendous acumen, he really understood the business. He could set interest rates in his head, and that kind of stuff."

Mr Stewart acknowledged that in the 11 years they worked together at the society's Bedfleath headquarters, Mr Robinson was always one of his strongest backers.

In fact, it was an accident that first brought him down to London from Scotland in 1985, where Mr Stewart, who had joined the Woolwich seven years earlier, was managing the society's Sauchiehall Street branch in Glasgow.

"Before the Woolwich, I worked in insurance and had the industry's professional qualification, the ACSI," he remembers. "Years later, the Woolwich was looking for someone who knew something about life insurance.

"They didn't have a clue why, but they advertised externally – this seems to have happened to me again recently." Mr Stewart suggests that Woolwich, too, can announce an agreed takeover of a building society and a mutual life insurer in the coming months. Mr Stewart believes the deals will come through a combination of mutual societies and insurers admitting they need economies of scale as "product factories" and recognising that Woolwich is the partner with the right size distribution network, to team up with.

He is disarming about his success: "I'm a good coach. Seriously, I get good people around me, I tell them precisely what I want, and give them the authority to do it. They do a good job and I get promoted. It's as simple as that."

Despite such self-styled op-

portunism, it is fair to claim that Mr Stewart is well liked by his staff. "He gives the impression of being quite a nice person, not a total bastard, like he's interested in you as a person and is not just out to screw you," is one typical comment. Mr Stewart himself, however, actively tries to dispel the softie image: "I'm the guy who over the past decade or more has virtually started a company a year. How many people can do that in a normal working environment?" he asks rhetorically, before adding: "There's a lot of financial discipline here. You can't just come in with a good idea. You have to come up with a business plan, which is closely monitored. Even after that, you are only as good as your last project."

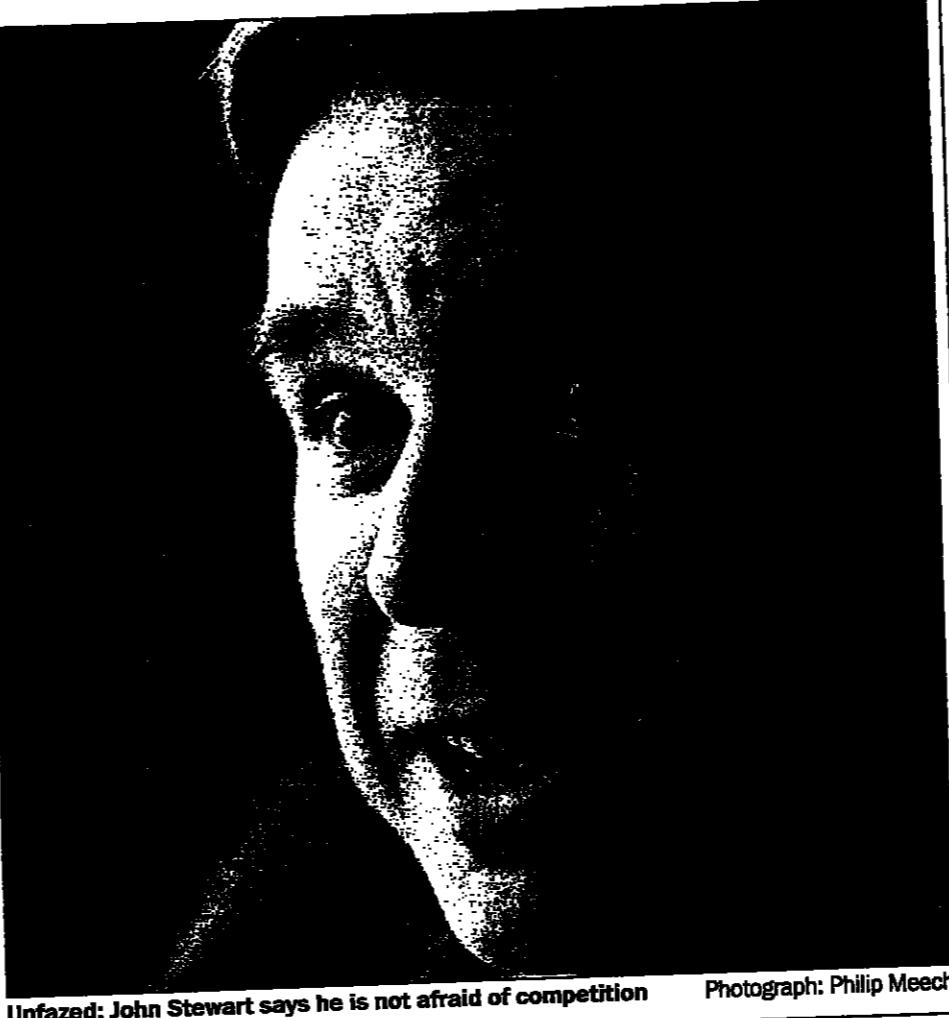
And Woolwich's projects have, in the main, been successful of late. It returned profits of £33m in 1995. When the society releases first-half results for 1996, they will be streets ahead of the same period last year, Mr Stewart says.

This time, all the society's operations, including its life and unit trust arm, the Italian and French subsidiaries and – God forbid – perhaps even Woolwich's estate agency chain, will be turning in a profit.

It is this success that prompts Mr Stewart to observe of potential bidders: "If anyone were to talk to us, what they would see is just how good these companies are and therefore how expensive we would be."

As if to show he too can play a flanking game, Mr Stewart suggests that Woolwich, too, can announce an agreed takeover of a building society and a mutual life insurer in the coming months. Mr Stewart believes the deals will come through a combination of mutual societies and insurers admitting they need economies of scale as "product factories" and recognising that Woolwich is the partner with the right size distribution network, to team up with.

A Glaxo spokesman said last night: "We have indicated on a number of occasions that there was the potential for generic competition to come July 1997 and this [ruling] does not change that... While disappointed by the judge's decision, the company believes it has a valid case against NovoPharm and strong grounds for appeal to the US authorities from De-



Unfazed: John Stewart says he is not afraid of competition

Photograph: Philip Meech

IN BRIEF

• Bank of Scotland will today kick off the £850m placing of most of the shareholding currently held by Standard Life. The life insurance group, a near neighbour of the bank in Edinburgh, will be left with a 2.5 per cent stake after the international tender offer, which is being aimed at institutions at home and overseas. Peter Burt, chief executive, will lead a team to sell the bank to US investors, while Sir Bruce Patullo, chairman, will concentrate on London and Scottish-based institutions in a series of roadshows lasting two to three weeks. Barclays de Zoete Wedd is acting as global co-ordinator.

• Vanguard Medica, the newly floated biotechnology group, has exercised an option to take up the world-wide rights to a new treatment for psoriasis being developed in conjunction with Glasgow University. The compound, code-named VML262, is based on a natural plant extract which appears to have similar benefits to existing corticosteroid drugs, but potentially without the side-effects of steroids. Vanguard has been jointly developing the treatment with the Strathclyde Institute for Drug Research, part of Glasgow University, since 1993. Psoriasis is a chronic skin condition said to affect between 1 and 3 per cent of the populations of North America and Europe.

• British Coal Enterprise, the organisation set up to help redundant miners find work, has helped create 131,000 new jobs and brought more than £800m of investment into former coalfields since 1984. In its last annual review, Philip Andrew, BCE's chief executive, says that the organisation exceeded its target of creating 100,000 jobs in 10 years. By the end of last year it had helped put 60,000 former miners back into employment, created a further 71,000 new jobs through loans to businesses and building industrial and office space. BCE's direct investment of £101m helped attract a further £730m from other sources including banks.

• Knight Frank, the City estate agent, is to act as investment adviser to the city of Moscow on its \$1bn portfolio of hotels, including the famous five-star National Hotel on Red Square. In partnership with Moskva, the Moscow City Government's joint stock company, Knight Frank aims to attract overseas investors and hotel operators to help modernise the 200-strong portfolio of hotels.

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SCIENCE

The great European space scandal

The designs are complete for a fleet of reusable spaceplanes to rival Nasa's X-33 rocket. But the ESA won't build them. Why? Charles Arthur reports

David Ashford is incandescent. In fact, he sounds as heated as a rocket burning its way up through the atmosphere. Quite simply, he says, Britain's place – or lack of it – in space is "a scandal".

And indeed, it might seem that we are falling behind. Europe has never had anything like the Space Shuttle; and now we will have something new to compete with. Last week the US space agency Nasa announced that it will get Lockheed to build the prototype for its next generation of spacecraft to replace the ageing fleet of space shuttles. The X-33 is intended to be flying by the end of the century, travelling unmanned up to 80km into space; it is the forerunner to a larger spacecraft, the Reusable

Launch Vehicle (RLV), that will succeed it later next century.

Europe has no such reusable rocket planned, although it does have a program called Festip (Future European Space Transportation Investigation Program) which is looking at the feasibility of a reusable rocket.

But meanwhile, the European Space Agency has a recent failure to understand. The report on the explosion of Ariane-5, less than a minute after takeoff, is due later this month. Many engineers are hoping that the cause will be pinpointed to a flaw in the controlling software – an easily-remedied problem – rather than in the design of some other part, or parts, which would entail a costly redesign, followed by even more costly individual and assembled testing.

But what makes Ashford,

head of Bristol Spaceplanes, so furious is that he reckons Britain, and Europe, could have a project comparable to the X-33 up and running well before the Americans, taking bigger loads into space for less money. And he knows because he submitted his plans to the British National Space Centre back in 1991.

"I call it the Great British Space Scandal," he says. "For a billion pounds we could develop a fleet of spaceplanes that would have all the characteristics of the American one – except that it could carry a crew and get into orbit as well." Carrying a crew is an important aspect, since it means that real payloads – such as small communications satellites – could be taken up and placed in the low orbits where they are required.

"Anybody who had a small, cheap spaceplane now would be able to make a killing," says Richard Tremayne-Smith, of the British National Space Centre.

"There are potentially hundreds of satellites going up. There's a proven market, and those satellites, once up, will need resupplying from time to time. You can see large revenue streams for a spaceplane." In a decade, according to Bruce Smith of Smith Systems Engineering, the world market for telecommunications satellites in the next ten years will be \$30bn. And that doesn't include military customers.

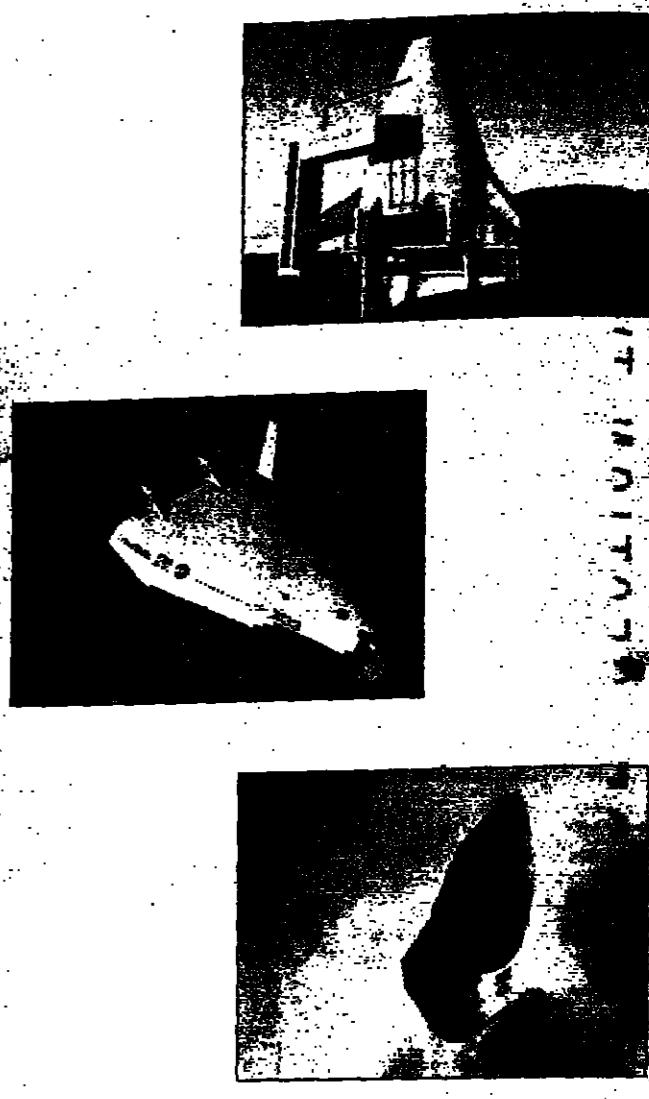
So why, asks Mr Ashford, not go with his designs? He has been designing reusable spaceplanes for 30 years; his best is called the Ascender, which he reckons needs only an initial £35m of industrial and other funding to get the project going. It could be built by 1999, and if all the tests go well, could carry fare-paying payloads into orbit three years later. Building a fleet would cost about a billion pounds.

The design is comparatively simple – unsurprising, as Mr Ashford has had many goes at refining it. His first job was in an aerospace team that was designing an orbital spaceplane.



Left: Dan Goldin of Nasa presenting the design of the X-33 design last week. Below: simulated images of the X-33 on the launch pad, in flight, and of its successor, the Reusable Launch Vehicle ascending into orbit. Bottom left: the explosion of the Ariane 5 last month

Photographs: EPA



Since then he has produced many tweaked designs to follow the requirements of the day. The latest is the Ascender, which would initially be powered by a Rolls-Royce Viper jet engine, which would take it 8km high.

Then a rocket powered by hydrazine (N_2H_4) – the fuel of choice for space missions – would take over, taking the capsule to 65km before its fuel store ran out, by which time it would be travelling at three times the speed of sound. The Ascender would then coast to a height of 95km, allowing about two minutes of microgravity. "You would be able to see the curvature of the Earth," says Mr Ashford.

And, most important, you would be able to release satellites for uses such as Motorola's planned Iridium global satellite phone project, or for commercial Earth Observation work.

However, ESA is not about to build a spaceplane in the near future – or for some time to come, says Mr Tremayne-Smith. "First, there's just no money available," he says. "Festip is largely being led by Germany; the UK and France aren't involved, and aren't putting any money into it." Anyway, for the time being Festip is only looking at available technologies and systems.

The idea that European governments will suddenly start spending money to build reusable launchers is just plain wrong. The world has already built one – the Space Shuttle. We know it can be done. What really matters is the economics, and whether it's cost-effective."

The average one-off launcher, such as Ariane-5, costs about £100m. To beat that, a reusable spaceplane would have to cost at least five times less per

launch, and ideally 10 times less. As long as it is truly reusable, the one-off cost of building it is quickly amortised by the savings on the delicate assembly needed for disposable launchers.

However, the British government appears stretched for cash for even the simplest of things. Ian Taylor, the minister for science, told a recent meeting in London that space projects were to receive an extra £10m of funding this year. "But don't ask me where I got it from," he said, as though expecting his audience to query him immediately. "There is, as you should know, no such thing as new money. I have a budget and I can fiddle with it." The clear implication being, of course, that the Government sees space as key: "A successful space program is in the national interest," he told the audience, which comprised the cream of

Britain's space expertise.

Instead, ESA does not plan to test any sort of reusable space launcher probably for another 15 to 20 years. Festip will watch how Nasa gets on with the X-33 – which is being built for it by Lockheed.

"I suppose that if we really pulled all the stops out, then we could be just two or three years behind the US," he implies, "it's unlikely that ESA's priorities will change that suddenly. And it's worth remembering that Nasa has always given its clients

– the governments (and so taxpayers) – far better value for money than its American rival.

Where does this leave Mr Ashford, and his plan? Unfortunately, still searching for big industrial backing.

It's a pity, really, since one of the uses he envisages for the Ascender is as one of the shortest – but most fun – joyrides of your life. Payloads don't only come in satellite form, after all. Re-

search in Japan had found that up to a million people a year would be prepared to pay \$10,000 each to travel, however briefly, into space.

Well, why not go as a passenger on a reusable spaceplane? The trip into space, fast enough to see the curve of the Earth, would be only half the fun: the return trip would start with a steep dive at Mach 3, until 25km above the ground, when the pilot would pull the nose up in a gut-wrenching curve before coasting the capsule back to base. The trip would last 30 minutes. It would certainly beat a *funfair*.

Mr Ashford reckons that a fleet of 50 Ascenders would be enough to ensure that the revenue flow covered the ongoing and capital costs relatively quickly. But whether they will ever get built remains a question as unknown as space itself.

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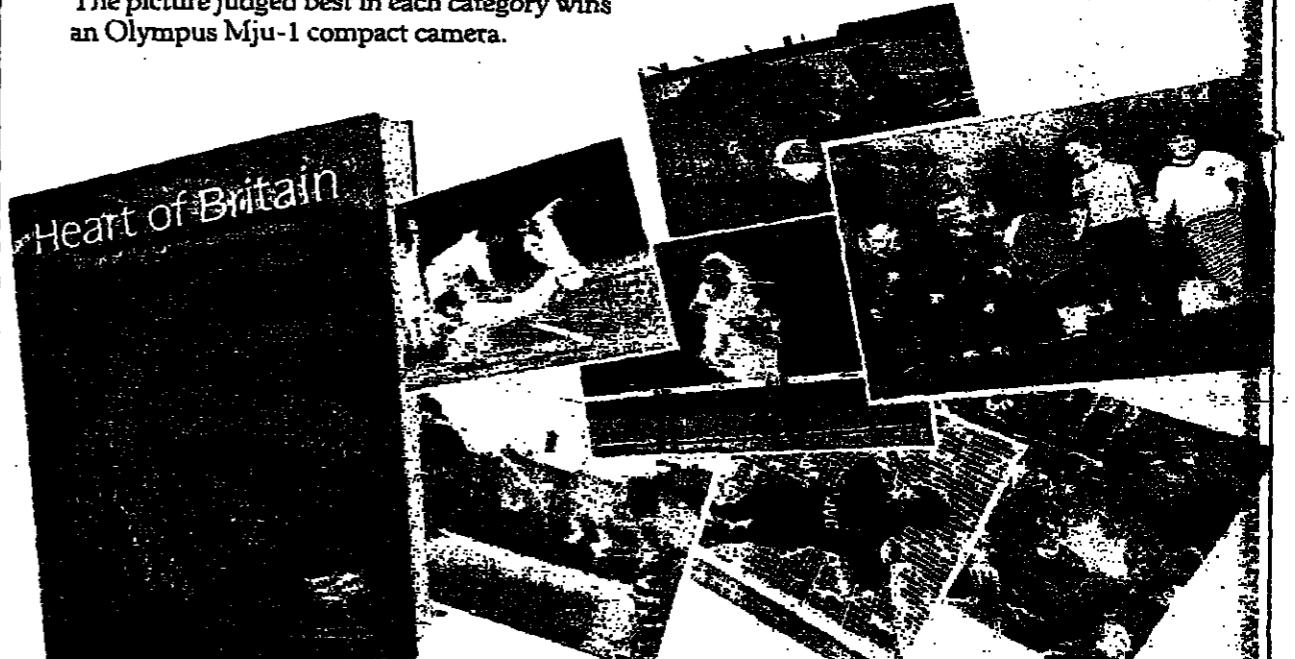
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By Crys

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ACROSS

- Where farmer's wife keeps things? (5,5)
- What's said by one making promise to Latin hero (-4)
- Burning coal endlessly abundant in heat? (7)
- It keeps passage open for sailor sailing i.e. Cabot? (7)
- Rugged seafarers claims one's colleague? (9)
- Officer in charge is a pain (3)
- Society girl abandoned care free broadcasting (2,3)
- What can whirl away mortals? Me! (9)
- It could be suitable for the rest of the soldiers (6,3)
- Busy no women in cold weather? (5)
- Ten live in city boat? (5)
- Novice's brass instrument covered in verdigris? (9)
- Born on sabbath day, brought up to have demands (5)

DOWN

- Expression of pain at rotter's turning up in country house (5)
- Line from composer on person's magical things (9)
- Difficult as pound stinklings and pence? (4,10)
- Show great joy at current demand (7)
- Where congregation gather round one, note innocence (7)
- Slaver erected toilet by road (5)
- One arriving in hearse? (4-5)
- Source of sounds making drummers hot-headed? (10,4)
- Revolted old boy with new animal has incurred debts (9)
- Gounds for putting away a relation (9)
- Exorbitantly priced drink and meal (4,5)
- Crime of corrupt senator (7)
- Sign of, say, expert from south (5)
- Born on sabbath day, brought up to have demands (5)

